



No 1/V6775.A53



GIVEN BY

---







76  
75-1

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

---

---

## HEARINGS

BEFORE THE

### SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE

UNITED STATES SENATE

EIGHTY-SECOND CONGRESS

FIRST SESSION

PURSUANT TO

## S. Res. 202

(81st Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF  
ORGANIZED CRIME IN INTERSTATE COMMERCE

---

### PART 9

---

### MICHIGAN

---

FEBRUARY 8, 9, AND 19, 1951

---

Printed for the use of the Special Committee To Investigate  
Organized Crime in Interstate Commerce





# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

---

## HEARINGS BEFORE THE SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE UNITED STATES SENATE EIGHTY-SECOND CONGRESS

FIRST SESSION

PURSUANT TO

### **S. Res. 202** (81st Congress)

A RESOLUTION AUTHORIZING AN INVESTIGATION OF  
ORGANIZED CRIME IN INTERSTATE COMMERCE

---

#### **PART 9**

---

#### **MICHIGAN**

---

FEBRUARY 8, 9, AND 19, 1951

---

Printed for the use of the Special Committee To Investigate  
Organized Crime in Interstate Commerce



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1951

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN  
INTERSTATE COMMERCE

ESTES KEFAUVER, Tennessee, *Chairman*

HERBERT R. O'CONOR, Maryland

CHARLES W. TOBEY, New Hampshire

LESTER C. HUNT, Wyoming

ALEXANDER WILEY, Wisconsin

RUDOLPH HALLEY, *Chief Counsel*

# CONTENTS

Testimony of—	Page
Amis, William D., investigator for the committee, Washington, D. C.	78-80
Bennett, Harry Herbert, Desert Hot Springs, Calif.	80-103
Berman, Philip, Detroit, Mich.	183-186
Boehm, Ernest C., assistant prosecuting attorney, Wayne County, Mich.	254-256
Boos, George F., police commissioner, city of Detroit, Mich.	6-8
Bufalino, William Eugene, Detroit, Mich., and Pittston, Pa.	188-191
Cobo, Hon. Albert E., mayor, city of Detroit, Mich.	3-4
D'Anna, Anthony, Detroit, Mich.	10-47
Freedman, Louis, Detroit, Mich., accompanied by John W. Babcock, attorney, Detroit, Mich.	172-178
Fry, John A., Detroit, Mich.	149-161
Gasper, John, Detroit, Mich.	9-10
Glazer, Saul A., Detroit, Mich.	221-224
Guy, Ralph B., chief of police, Dearborn, Mich.	210-217
Hancock, Walter F., Lincoln Park, Mich.	232-233
Hester, Edward, Detroit, Mich., accompanied by Harry Robert Bockoff, attorney, Detroit, Mich.	217-221, 234-237
Holt, Willard, Detroit, Mich.	74-78
Licavoli, Peter, Detroit, Mich.	54-74
Lilygren, George N., Washington, D. C.	178-180
Mazey, Emil, secretary-treasurer, UAW-CIO, Detroit, Mich.	199-201, 224-228
Meli, Angelo, Detroit, Mich.	186-188
Minaudo, Nono, Detroit, Mich.	104-111
Mosser, Andrew, patrolman inspector in charge, United States Immigration and Naturalization Service, Detroit, Mich.	111-114, 132-133
Murphy, Hon. George B., Detroit, Mich.	180
Pardo, A. William, Wyandotte, Mich.	47-53
Perrone, Gasper, Mount Clemens, Mich.	144-149
Perrone, Sam, Detroit, Mich.	115-132
Renda, Carl, Detroit, Mich., accompanied by Samuel L. Travis, attorney, Detroit, Mich.	161-171
Ricciardi, Louis Edward, Detroit, Mich.	245-248, 259-263
Robinson, William Dean, Grosse Point Park, Detroit, Mich.	191-199
Rubino, Mike, Detroit, Mich.	237-241
Slack, Paul, Inspector, Police Department, Detroit, Mich.	241-244
Stewart, William Scott, attorney, Detroit, Mich.	228-232
Tocco, William, Detroit, Mich., accompanied by Walter Schweikart, attorney, Detroit, Mich.	248-254
Walker, Gordon L., Ford Motor Co., Dearborn, Mich.	202-209
Williams, Hon. G. Mennen, Governor of the State of Michigan	4-6
Zivian, Max J., Detroit, Mich., accompanied by Joseph A. Vieson, attorney, Detroit, Mich.	133-144
Schedule of exhibits	IV
Thursday, February 8, 1951	1
Friday, February 9, 1951	183
Monday, February 19, 1951	259
Appendix	265

## SCHEDULE OF EXHIBITS

Number and summary of exhibits	Introduced on page—	Appears on page—
1. Program of American Italian delegates—first annual dance, Saturday, November 12, 1949.....	9	(1)
2. Photograph and police record of Tony D'Anna.....	17	(1)
3. Criminal record of Joe Massei from Detroit Police Department.....	19	265
4. Detroit Police Department record No. 30787, dated June 1, 1950, of Pete Licavoli.....	56	266
5. Photo of Pete Licavoli's residence in Grosse Point, and folder from his Grace Ranch.....	58	267
6. Green Sheet Almanac.....	63	(1)
7. Police record of a Joe Bommarito, Detroit Police No. 37496.....	64	268
8. A second police record of one Joe Bommarito, No. 29317.....	64	269
9. H. R. 6286, Eightieth Congress, second session, a bill for relief of Francesca Cammarata.....	69	270
10. Photograph of residence of Santo Perrone, Grosse Point Park.....	115	270
11. A check for \$20,000, drawn by Sam Perrone on the National Bank of Detroit.....	130	271
12. A list of aliens, furnished by Immigration and Naturalization Service, who entered country illegally and worked at the Detroit (Mich.) Stove Works.....	130	272
13. Detroit Police Department No. 12997, record of Gaspare Perrone.....	146	273
14. One-man grand jury transcript, submitted by Judge George B. Murphy.....	181	{ 273- 1028
15. Photograph of Angelo Meli's home at 1016 Devonshire Street, Grosse Pointe Park, Mich.....	188	1029
16. Photostats of four affidavits relating to muscling in the juke-box business in Detroit, Mich.....	190	1029
17. A statement explanatory of a telegram in re Francesca Cammarata case, from the office of Senator Capehart.....	228	(2)
18. Photograph of house rented by Mike Rubino.....	240	1031
19. Policy records dated April 21.....	241	(1)
20. File of records taken from home of Mike Rubino.....	242	(1)
21. Photographs and checks identified by Inspector Paul Slack, Detroit Police Department.....	244	(1)
22. Home of William Tocco, Detroit, Mich.....	250	(1)

<sup>1</sup> On file with committee.<sup>2</sup> Written into record.



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

---

THURSDAY, FEBRUARY 8, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE  
ORGANIZED CRIME IN INTERSTATE COMMERCE,  
*Detroit, Mich.*

The committee met, pursuant to call of the chairman, at 10 a. m., in room 734, Federal Building, Senator Herbert R. O'Connor presiding.

Present: Senator O'Connor.

Also present: Rudolph Halley, chief counsel; John L. Burling, associate counsel; Alfred M. Klein, associate counsel.

The CHAIRMAN. The hearing will please be in order. At the outset, I should like to make a brief statement indicating the purpose of the hearing and the manner in which it will be conducted.

This hearing is one of a series that is being conducted throughout the country by the Senate Committee To Investigate Organized Crime in Interstate Commerce. Its purpose is to inquire into the existence of organized criminal gangs, how and where they operate, and whether or not they employ the vehicle and avenues of interstate commerce. Another purpose is to determine whether these organized crimesters, whose operations have already been definitely established by hearings elsewhere, have corrupted local government in the course of their activities and the extent of their impact and influence on the local and national economy.

This committee derives its authority from Senate Resolution 202 of the second session of the Eighty-first Congress. Under that resolution, the committee has authority to subpoena witnesses, to hold hearings wherever and whenever it sees fit to obtain information on which to base a report to the United States Senate, and to recommend whatever legislation it may see fit to suggest under the circumstances it discovers.

At a meeting of the committee held in Washington, Senator Ke-fauver, the chairman, was authorized and directed to appoint subcommittees to hold hearings in certain cities to fulfill the mandate of Resolution 202. He has appointed me as a subcommittee of one to hold hearings in Detroit, Mich., commencing today. By vote of the committee, one member is to constitute a quorum for the purpose of taking testimony at these hearings.

For the purpose of the record, a copy of Resolution 202 and a copy of the minutes of the meeting of the committee authorizing the holding of hearings in Detroit and my appointment as a subcommittee of one to conduct these hearings will, at this point, be inserted into the record.

(The documents above referred to are as follows:)

FEBRUARY 3, 1951.

HON. HERBERT R. O'CONOR.

*Senate Office Building, Washington, D. C.*

DEAR SENATOR O'CONOR: In accordance with the authority granted me by the committee under the resolution attached, I hereby name you as chairman of the subcommittee of the Special Committee to Investigate Organized Crime in Interstate Commerce to conduct hearings in Detroit, Mich., beginning February 8, 1951.

Sincerely,

ESTES KEFAUVER, *Chairman.*

JANUARY 3, 1951.

SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED CRIME IN INTERSTATE COMMERCE

*Resolved*, That the chairman of this committee be and hereby is authorized at his discretion to appoint one or more subcommittees of one or more Senators, of whom one member shall be a quorum for the purpose of taking testimony and all other committee acts, to hold hearings at such time and places as the chairman might designate, in furtherance of the committee's investigation of organized crime, in the vicinities of the cities of Cleveland, Ohio, and Detroit, Mich.

(S. Res. 202 is on file with the committee.)

The CHAIRMAN. Preparation for this hearing has been made by members of the committee staff under the direction of Mr. John S. Burling, our associate counsel. It is also a pleasure to introduce to you our chief counsel, Mr. Rudolph Halley, and another associate counsel, Mr. Alfred Klein, who have come to Detroit to assist in the hearings.

Mr. Burling will conduct the examination of witnesses.

I should like to call special attention to this statement of fact. Obviously, the committee cannot investigate every local situation that is touched with a criminal aspect. If that were the case, it would spend years in a single city. We can only examine the high spots of crime where it crosses state lines; that is our principal function and we propose to stick very close to it in these hearings, as we have elsewhere.

Mr. Burling has called a considerable number of witnesses. It should be borne in mind that no reflection is cast upon anyone by the fact that he has been subpoenaed to appear; nor should any inference be drawn from the fact that a witness is called upon or not called upon to testify. That will develop as the hearing progresses.

I should like, also, to make one further observation and it is this: That the committee is equally intent upon maintaining the good reputation of those who should not be smirched as it is to find the facts, if they show anything unfavorable about a person. Consequently, any individual or corporation, for that matter, whose name may be brought into these proceedings, has a perfect right to have his response made promptly to the committee. The committee will be vigilant to see that anyone who is accused and who feels that he desires to say anything in his own defense or in explanation of the matter—the committee wishes to give him assurance that that will be done.

I should also like, in making this introduction, to indicate the presence of Mr. Kane, the United States attorney, whom we are honored and happy to have with us.

As is customary, the official reporters are here and we would like to have them sworn at this time.

(Whereupon, the official reporters were duly sworn by the chairman.)

The CHAIRMAN. We had anticipated the pleasure of having his Excellency, the Governor here, at the outset. We are advised that the Governor will be here shortly, and, of course, upon his arrival, we will be delighted to hear from him.

However, in order to expedite the conduct of the proceedings, we will go forward.

The first witness, therefore, will be his Honor, Mayor Cobo.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. COBO. I do.

#### TESTIMONY OF HON. ALBERT E. COBO, MAYOR, DETROIT, MICH.

The CHAIRMAN. Will you state, please, for the record, your full name?

Mr. COBO. Albert E. Cobo.

The CHAIRMAN. Counsel will proceed to interrogate the mayor.

Mr. BURLING. Mr. Mayor, the committee has asked you to come here and you have been kind enough to come here, to tell us about the crime situation in your city; what is being done to meet it; what special problems you find that you believe might be of interest to the committee; and what, if anything, you think should be done by the way of Federal legislation to further improve the situation. That is about as broad an assignment as we can give you.

Mr. COBO. I will be happy to try.

I have a statement here that I would like to read, if I may, and then, if you have any questions or anything else, I will be very happy to try to answer them.

The CHAIRMAN. Supposing you just proceed with the statement and then, anything that you might wish to add, we will be glad to have you do so, or we will interrogate.

Mr. COBO. As mayor of the city of Detroit, I want to assure you of every cooperation on the part of our city government. I give you this assurance not only as mayor, but also as vice president of the American Municipal Association.

It was my privilege to serve as a member of the committee on municipal legislation at the Attorney General's Conference on Organized Crime held in Washington on February 15, 1950.

Detroit's position in this matter was made clear at the Attorney General's conference. We need new Federal laws.

I feel that it is imperative for Congress to adopt a law which would require the registration of all firearms and access to such records by all law-enforcement agencies.

I believe that Congress should adopt laws which would make it a Federal offense to use the telephone and telegraph, or other means of communication, for the dissemination of gambling information.

We need these laws not only to stop persons engaged in these criminal activities, but also so that they may act as a deterrent against others who might engage in these activities.

Your investigation has already brought out the fact that certain types of crime are Nation-wide, rather than local in character. Syndicated crime knows no boundaries and should be a matter of concern

not merely on a local level but also on a Federal level. The adoption of Federal laws would give our police department time to combat the violation of local laws and to fight local crime.

The adoption of Federal laws does not mean the supplanting of local policy by Federal agencies. It would simply mean that a more effective remedy is available to local authorities. Many of our cases involving local violations have developed into Federal violations, such as those under the Lindbergh Kidnaping Act, the Mann Act, the Dyer Act, and the Narcotic Act. We cite the decrease that took place in the use of mails to defraud when it became a Federal offense.

We hope that your investigation will be fruitful and give us the much-needed legislation to effectively combat syndicated crime.

I believe that you have already received complete cooperation and assistance from the Detroit Police Department. I know you will continue to receive such assistance so long as you are here. If there is anything else you wish through me as mayor of the city of Detroit, you need but ask.

Mr. BURLING. Thank you very much. The committee will give more careful consideration to your thoughts, Mr. Mayor.

The CHAIRMAN. I now wish to call Governor Williams. I made mention of the fact prior to your coming that it is customary to swear all the witnesses. I am sure you have no objections to that.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WILLIAMS. I do.

#### TESTIMONY OF HON. G. MENNEN WILLIAMS, GOVERNOR OF STATE OF MICHIGAN, LANSING, MICH.

The CHAIRMAN. Now, Governor, as was mentioned prior to your coming, we were very happy indeed in the knowledge that you were with us and appreciative of your evident cooperation. We desired to hear you first and we are very glad to afford you this opportunity.

Of course, you are coming at your own request and own suggestion.

Mr. WILLIAMS. It is a mutual pleasure.

The CHAIRMAN. You have indicated your desire to be here and we have indicated the desire to have you here. I ask you whether you have a prepared statement.

Mr. WILLIAMS. Yes.

The CHAIRMAN. Then, Governor, would it be your desire to read the statement, also to answer any questions, and, of course, any elaboration that you might desire to make, and we will be very glad to have you do so as to any questions we might wish to propound. We thank you, sir; and will you just proceed, Governor?

Mr. WILLIAMS. Let me preface my remarks this morning by extending to your honorable committee my assurance of the fullest cooperation from the State government of Michigan.

Personally I have the deepest interest in the subject matter of this inquiry. In my past experience in Federal grand jury work in this State, and as a special assistant to the United States Attorney General, I gained some elementary knowledge of the ramifications of interstate criminal activities. I was impressed by the national scope of the

problem which is presented by modern organized crime which extends beyond the boundaries of individual States. Anything that can be done to assist the States to control that type of crime will be welcomed in Michigan.

We believe that Michigan has been alert to this problem, and that organized crime has had a much harder time of it here than in some other parts of the Nation. But we are not deluding ourselves that Michigan is immune to the activities of hoodlum organizations whose activities are Nation-wide. Whatever light the committee can cast upon the situation here in Michigan will be welcomed and will be acted upon by State authorities with the utmost vigor.

Here in Michigan we believe we have a State police organization which is one of the finest in the entire Nation. The manner in which the State police dealt with a wave of bank hold-ups a few years back is a matter of almost legendary renown. Today that form of crime is very rare in Michigan. But it is significant that in curbing bank hold-ups the State police had the support of Federal law and Federal authorities.

Similar results have come from the operation of the Federal interstate fugitive law, and from the Federal legislation against transportation of kidnap victims across State lines. These laws have made it possible for the State authorities to get the assistance of Federal authorities in cases which were beyond the scope of any single city or State police agency.

It seems to me that there must be a number of other ways in which the Federal authority could be brought to the aid of States in curbing interstate crime. I would like to make two concrete suggestions:

First, it seems to me there should be a way whereby the governor of a State could call for the assistance of the FBI in the solution of crimes which appear to him to be beyond the scope or resources of State or local authorities.

For example, in the case of the shotgun attacks upon Walter and Victor Reuther, there was ample reason to suspect that these crimes had their origin in a wide conspiracy. The shooting of these two highly respected citizens shocked the entire State. I felt that the probable interstate origins of these crimes ought to be investigated. I sought to enlist the aid of the FBI. But, because there was no clear showing that a violation of Federal law was involved, the FBI could not, under existing regulations, be brought fully into the case.

I do not mean to imply any lack of cooperation on the part of the FBI. For years I have enjoyed a very pleasant personal relationship with Mr. J. Edgar Hoover, and I am sure he gave what help he could.

But it seems to me that there should be some means whereby the Governor of the State could enlist Federal police help, as he can call for Federal troops in case of emergency, or as a city can call upon the Governor for the assistance of the State police.

My second point is this: That State control of illegal race betting cannot be effective while bets can be made across State lines by telegraph and while interstate wire services supply illegal bookies with the information necessary to their trade. The committee has already heard much testimony about the activities of national race betting syndicates. It seems obvious to me that some way must be devised to prevent the use of interstate communication facilities in activities which are in violation of the laws of the several States.

We in Michigan are proud of the constant fight which we have waged against organized crime. We believe that in general that fight has been successful in holding such crime to a minimum. We have used and will continue to use every facility and authority available to a sovereign State. To this end I have been working with the legislature to increase the size and potency of the State police.

We do welcome, however, any information which this inquiry may develop; and we hope that out of this committee's work will come more effective means of cooperation between Federal and State authorities in dealing with interstate criminal operations.

The CHAIRMAN. Governor, we are indebted for your statement. Are there any questions, Counsel?

Mr. BURLING. No, Mr. Chairman. The Governor's statement is extremely clear and very thoughtful, and I share your gratitude.

Mr. HALLEY. I have one question, Governor. In other States there have been certain difficulties growing out of the overlapping of jurisdiction of law-enforcement offices. For instance, in Illinois the State police cannot go into many communities. They simply do not have the authority. In other communities the county attorney and the sheriff have overlapping authorities, so that each is in possession of the belief that the other law-enforcement officer has done the job, and quite often it occurs that nobody has done the job. Do you have that type of problem in this State?

Mr. WILLIAMS. Well, I could answer that question generally, but the State police commissioner is here and perhaps we could ask him. Could you answer that, Commissioner Leonard? He wants to know if there is overlapping of authority. I think I can answer the question, but here is a man who is right on the job and can tell you more.

Mr. LEONARD. Unlike Illinois, the Michigan State police, under the legislative act which brought it into being, has full police authority throughout the entire State, inside of villages, cities, counties, and rural areas. Illinois does not possess that power and authority, so we do not have the same situation confronting us as they do there.

Mr. HALLEY. Thank you.

Mr. WILLIAMS. I might state our attorney general has the same power of superseding any local law-enforcement agency in the courts, but, of course, we work on a basis of economy and prefer the local organization to do their job first.

Mr. HALLEY. Thank you very much.

The CHAIRMAN. Governor, we are very much indebted for your appearance, and it is a pleasure to have had you.

Police Commissioner Boos.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Boos. I do.

#### TESTIMONY OF GEORGE F. BOOS, COMMISSIONER OF POLICE, DETROIT, MICH.

The CHAIRMAN. Your full name, please?

Mr. Boos. George F. Boos.

The CHAIRMAN. And your official position is?

Mr. Boos. Commissioner of police, city of Detroit.

The CHAIRMAN. For what period of time have you been police commissioner, sir?

Mr. Boos. Just about 13 months ago I became the police commissioner.

The CHAIRMAN. And prior to that I think you were associated with the Federal Government?

Mr. Boos. Yes, sir.

The CHAIRMAN. For quite a period of time?

Mr. Boos. Yes.

The CHAIRMAN. At least, I can say that your services were of great benefit to the country.

Now, Commissioner Boos, might I ask you whether you have prepared a statement?

Mr. Boos. Yes; I have.

The CHAIRMAN. Do you prefer just to make the statement first and then be questioned as to anything?

Mr. Boos. Yes, sir.

The CHAIRMAN. All right; if you will just proceed, please.

Mr. Boos. As police commissioner of one of the Nation's largest cities, I want to support the sentiments expressed by His Honor, Mayor Albert E. Cobo, when he said that he welcomes the Kefauver committee; and I, too, want to assure the committee of every cooperation and assistance on the part of my department.

I know what our police officers are up against in their efforts to stamp out organized gambling and racketeering. As local police officers they have no jurisdiction outside the city; and, no matter how good a job they may do, they find themselves thwarted by organized racketeers who do their work beyond the jurisdiction of our officers.

Furthermore, as a border city, our problem is somewhat complicated by the fact that we are faced not only with interstate racketeering, but we have evidence that such racketeering goes beyond the borders of our country.

As you know, our police department recently uncovered a gambling conspiracy case involving the use of 22 telephones in a suburban city. It was only because of the full cooperation of the Canadian authorities, the State police, and local agencies that this case was brought to light and revealed the intricate network of wire service and the need for cooperation at all levels of enforcement. I cite this case as one example of the complex problems created by State and National boundaries. I feel that with Federal laws this type of cooperation would be a continuing policy on both a national and international level. The boys who carry out their nefarious business would hesitate before they would violate Federal laws.

Any national law which may be passed would be a very effective weapon in this fight against organized crime, and it is to that end that I want to express my hope and my thanks to this committee.

Mr. BURLING. Mr. Commissioner, I wonder if you could tell us a few more details about the bookie raid of last December? As you no doubt know, this committee has been especially interested in race wire services. Can you tell us, if you know, where and how race wires were coming into the bookie joints that were raided last December?

Mr. Boos. In that connection it was coming into an outlying municipality. The wire services were coming from Toledo to Canada and from Canada into Detroit. From an outlying city into Detroit.

Mr. BURLING. Then we have not only an interstate but an international supplying of race wire information in this particular case?

Mr. Boos. That is true.

Mr. BURLING. Is it not true that what you found was that the service came by a circuitous route from Chicago to Toledo to some place else, over to Canada, and then it fanned out through the use of multiple telephones, Windsor to Detroit.

Mr. Boos. That is right.

Mr. BURLING. I think, Mr. Chairman, that is of special and unusual interest to the committee. It is the first time we have an international wire service.

The CHAIRMAN. Unquestionably it is.

Mr. BURLING. Mr. Commissioner, can you tell us whether or not, in your opinion, there are slot machines operating in the city now?

Mr. Boos. We do not have any slot machines operating in the city.

Mr. BURLING. In your opinion, if I wanted to go out into a bookie parlor and sit all afternoon playing the horses, could I find a place to do that today in Detroit?

Mr. Boos. No.

Mr. BURLING. Mr. Chairman, the information which this committee has entirely substantiates the commissioner.

Mr. Commissioner, that is all I have.

Mr. Chairman, I would like the record to show if I may take the time to say that, while we have been investigating here, the commissioner and his staff have been of the utmost assistance to us. They assigned high-ranking officers to go out in the middle of the night and serve subpoenas. They have given us cars, and they have even found a man who investigated a murder 20 years ago. We could not have had better help than we have had from the Detroit Police Department.

The CHAIRMAN. That is highly gratifying. We certainly are indebted to you, Commissioner. Thank you very much indeed.

(Witness excused.)

The CHAIRMAN. I would like to call for the appearance of Russell Trileck.

Mr. BURLING. I might say for the record, Mr. Chairman, he was duly served a subpoena.

The CHAIRMAN. Russell Trileck.

Mr. BURLING. Mr. Chairman, we have received information that Mr. Trileck seems to have disappeared, notwithstanding the fact he was served with a subpoena. I suggest that we put him on the calendar for the first witness tomorrow and that we say, or rather that you state in public, that if he is not here in response to the subpoena tomorrow you will recommend to the full committee that he be cited for contempt of the Senate.

The CHAIRMAN. That will be so ordered. This witness or any witness who is summoned to appear and who fails in attendance, the subcommittee must consider it the necessity of a citation. Therefore the order will be that the name of this witness will be called promptly in the morning; and, unless he responds, consideration will be given at once to recommend a citation for contempt.

The next witness.



Mr. BURLING. The next witness is John Gaspar.

Mr. Chairman, I have received information that——

The CHAIRMAN. Will you be sworn?

Do you solemnly swear the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. GASPAR. I do.

### TESTIMONY OF JOHN GASPAR, DETROIT, MICH.

The CHAIRMAN. What is your full name?

Mr. GASPAR. John Gaspar.

The CHAIRMAN. Will you give us your address?

Mr. GASPAR. Do you mean my business address?

The CHAIRMAN. Yes.

Mr. GASPAR. 243 West Larned.

The CHAIRMAN. And your residence?

Mr. GASPAR. 8527 Westville.

Mr. BURLING. What is your business or occupation?

Mr. GASPAR. Printing; I am a printer.

Mr. BURLING. Please do not volunteer any information. Follow my questions that I ask and we will get along fine. I show you a booklet entitled "American Italian Delegates First"—Mr. Chairman, I emphasize the word "First"—"First Annual Dance, Saturday, November 12, 1949." Again, I emphasize the date for a reason I will state in a moment.

Mr. Gaspar, did you print this book?

Mr. GASPAR. Yes.

Mr. BURLING. Mr. Chairman, may I offer it in evidence as exhibit No. 1?

The CHAIRMAN. It will be so admitted and marked.

(The document identified was thereupon received in evidence as exhibit No. 1, and is on file with the committee.)

Mr. BURLING. May I make a very brief statement, Mr. Chairman, as to why I offer this book?

This book is the program of the American Italian Delegates as they were constituted in 1949. I am happy to say that since then the organization has been entirely reconstituted and has a new constitution and new officers. It is now a respectable charitable organization and a philanthropic organization of American Italians. I hope to be able to call before the committee tomorrow the president of the organization, who will tell of some of the present good work the organization is doing. I think we should do that in order to avoid the idea that there is any stigma whatsoever attached to the organization as it is today.

On the other hand, this book in 1949, in its old days, is the most extraordinary catalog of hoodlums and criminals printed or gathered together in any one booklet publicly distributed that I know. Virtually every person, every hoodlum, whose name will be referred to in these hearings can be found here or can be found here either as an officer or as an advertisement of a company.

I do not, of course, mean to say that everybody who advertises in here is a hoodlum. I do mean that every big-shot hoodlum in the Detroit area can be found here either under a corporate name or in his own name. That is all I have, Mr. Chairman.

The CHAIRMAN. All right. Thank you, Mr. Gaspar.

(Witness excused.)

The CHAIRMAN. Anthony D'Anna.

Do you solemnly swear the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. D'ANNA. I do.

### TESTIMONY OF ANTHONY J. D'ANNA, DETROIT, MICH.

The CHAIRMAN. Now, your full name is what?

Mr. D'ANNA. Anthony J. D'Anna.

The CHAIRMAN. And your address?

Mr. D'ANNA. 712 Berkshire.

The CHAIRMAN. And how long have you lived at that address?

Mr. D'ANNA. About 8 or 9 months.

The CHAIRMAN. And prior to that, where did you live?

Mr. D'ANNA. For the past—I believe for the past 40 years or 42 years, I lived in Wyandotte.

The CHAIRMAN. For the past 40 or 42 years you lived in Wyandotte?

Mr. D'ANNA. Somewhere around there.

The CHAIRMAN. Now, I would like to ask you at the outset to please keep your voice up and talk promptly and distinctly and slowly so that all may hear you.

Now, Counsel, will you proceed, please?

Mr. BURLING. Mr. D'Anna, you have a very long story which I have been over with you in great detail. In order to expedite the hearing, I will ask you if you will just answer the questions as put to you and not volunteer something else. At the end of the questioning, if you feel that you want to say something else to the committee, you will be given a full opportunity to do that, but if you will, please, just answer the questions "Yes" or "No," if you can.

Mr. D'ANNA. Yes.

Mr. BURLING. Is it correct that you were born in Sicily in December 1900?

Mr. D'ANNA. The 10th of December; yes.

Mr. BURLING. That is what I mean. It is correct that you were born in Sicily in 1900?

Mr. D'ANNA. Yes.

Mr. BURLING. Now, in 1905, your father came to America and settled in Wyandotte; is that right?

Mr. D'ANNA. The exact date, I don't know.

Mr. BURLING. About there?

Mr. D'ANNA. Yes.

Mr. BURLING. And the reason that he came to Wyandotte was that some of your mother's brothers had already come here and settled; is that right?

Mr. D'ANNA. Well, my father—

Mr. BURLING. Is that right?

Mr. D'ANNA. I imagine that is probably true. They couldn't make a living over there and they came here.

Mr. BURLING. Thank you. Please just try to answer the question. Your mother's brothers' name was Giomola; is that right?

Mr. D'ANNA. Yes.

Mr. BURLING. And after a while your mother came to the United States and joined your father with four children, right?

Mr. D'ANNA. Right.

Mr. BURLING. You are the eldest?

Mr. D'ANNA. That is right.

Mr. BURLING. And she had four more children born in Wyandotte; is that right?

Mr. D'ANNA. Right.

Mr. BURLING. And you lived in Wyandotte ever since then, is that correct?

Mr. D'ANNA. Yes.

Mr. BURLING. You were naturalized in 1931?

Mr. D'ANNA. I believe that is right.

Mr. BURLING. And you went to school until about 1916, when you had to leave school upon the death of your mother?

Mr. D'ANNA. That's right.

Mr. BURLING. And then the four eldest children left school; the two boys to go to work and the two girls to take care of the younger children?

Mr. D'ANNA. That's right.

Mr. BURLING. And is it true that about 1917 or 1918, your father and your uncle, Sam Giommola, were walking up the steps of your Uncle Sam's house and someone shot your father dead?

Mr. D'ANNA. Yes.

Mr. BURLING. And you believe that that shot was intended for your Uncle Sam; is that right?

Mr. D'ANNA. That's what everybody said. I was a young boy. I don't know.

Mr. BURLING. And John Vitalli was arrested for this murder, is that right?

Mr. D'ANNA. Right.

Mr. BURLING. And he, too, was murdered thereafter; is that right?

Mr. D'ANNA. Well, I learned that he was murdered later on.

Mr. BURLING. Yes. He ended up shot dead.

Mr. D'ANNA. Yes.

Mr. BURLING. Did you shoot him?

Mr. D'ANNA. No.

Mr. BURLING. At any rate, shortly after that, your Uncle Sam was murdered; is that right?

Mr. D'ANNA. Yes; he was murdered.

Mr. BURLING. And, in addition, your Uncle Tony Giommola was murdered; is that right?

Mr. D'ANNA. Yes. My uncle was murdered first.

Mr. BURLING. I see. But at any rate, your father and your Uncle Sam and your Uncle Tony were all murdered by somebody. It was the Vitalli-Giommola feud, wasn't it?

Mr. D'ANNA. I couldn't answer that, honestly, because I was too young and I didn't know.

Mr. BURLING. You were 19 at the time?

Mr. D'ANNA. When my father was killed, I was 18, I believe.

Mr. BURLING. I see. But you never knew that it was referred to in the papers and by people down there, generally, as the Vitalli-Giommola feud?

Mr. D'ANNA. Well, it was the Italian feud.

Mr. BURLING. It was called the Vitalli-Gionnola feud, wasn't it?

Mr. D'ANNA. I can only say what I heard at the time.

Mr. BURLING. Didn't you hear that?

Mr. D'ANNA. I heard Vitallis and Gionnolas and other Italians there. The Italian people, I heard. I don't know.

Mr. BURLING. Please try to answer my questions "Yes" or "No," if you can.

Notwithstanding all these murders, you never heard anybody give any explanation of any of them, did you?

Mr. D'ANNA. What do you mean by "any explanation"?

Mr. BURLING. Did anybody ever tell you what he thought the murders were about?

Mr. D'ANNA. Well, all I could get was jealousy.

Mr. BURLING. Jealousy over what?

Mr. D'ANNA. I don't know. I don't know what it was about.

Mr. BURLING. What did you think about it when your father was murdered? What passed through your mind?

Mr. D'ANNA. The responsibility of having seven children on my shoulders.

Mr. BURLING. No. I mean, what thoughts about the murder of your father? Who did you think killed him and why?

Mr. D'ANNA. I know he was innocent. My father was innocent. He worked in the Alkali, and he got killed.

The CHAIRMAN. Was John Vitalli ever brought to trial?

Mr. D'ANNA. No; he wasn't. He was arrested but wasn't brought to trial.

Mr. BURLING. Was he murdered before he could be tried?

The CHAIRMAN. How long after your father's murder was he killed?

Mr. D'ANNA. Pardon me, could I ask your name? What is your name?

The CHAIRMAN. O'Connor—Senator O'Connor.

Mr. D'ANNA. I am happy to know you, Senator. I don't remember those dates when——

The CHAIRMAN. Do you know how long a period of time there was intervening between your father's murder and the time when Vitalli was murdered? You were 18 or 19 years of age, were you?

Mr. D'ANNA. I just don't know exactly, Senator. There was some time that passed there.

The CHAIRMAN. Approximately, tell us about how long.

Mr. D'ANNA. Well, I don't know. It might have been a year or 2 years later.

The CHAIRMAN. He was not brought to trial in the meantime?

Mr. D'ANNA. No; he wasn't.

The CHAIRMAN. All right, go ahead, Counsel.

Mr. BURLING. Now, did you ever discuss with anyone at all why your father and your two uncles were shot dead? The answer is "Yes" or "No."

Mr. D'ANNA. Well, I can't just answer "Yes" or "No." I must be truthful with myself and with the Senator and the committee.

Mr. BURLING. You did not talk to anyone about why your father and two uncles were shot?

Mr. D'ANNA. What was the question?

Mr. BURLING. Did you ever talk to anybody about why they were shot?

Mr. D'ANNA. I just asked my uncle, the other one that is left.

Mr. BURLING. Vito is the only person you ever asked why his two brothers and your father were shot?

Mr. D'ANNA. That is right.

Mr. BURLING. What did Uncle Vito tell you?

Mr. D'ANNA. He did say to me, "Your dad did not deserve to be shot."

Mr. BURLING. But his brothers—his two brothers did deserve to be shot?

Mr. D'ANNA. His uncle, his brother—the jealousy amongst Italian people.

Mr. BURLING. Can you not explain what the jealousy was about?

Mr. D'ANNA. He wouldn't tell. That is all I could get from him. That is all I know from him—that is all he would say.

Mr. BURLING. When did you first hear of an organization called the Mafia?

Mr. D'ANNA. Well, I don't know when I heard that name. I have heard the name in the Italian homes. The word "Mafia" means, from what I could gather—is a tough guy, roughneck.

Mr. BURLING. Just a minute. Did you not tell me in our office, up on the ninth floor, that you never heard the word "Mafia," that you thought the word was "mafioso"?

Mr. D'ANNA. "Mafia" or "mafioso" means the same thing.

Mr. BURLING. One is a noun and one is an adjective. I am talking about a noun—the Mafia. When did you first hear of that?

Mr. D'ANNA. I don't know. I have heard it. You sometimes speak to Italians and the word "Mafia" or "mafioso" comes up.

Mr. BURLING. Let us not confuse the issue. You told me upstairs, Mr. D'Anna, that you did not know the word "Mafia," that you thought it was "mafioso," an adjective meaning tough. I am not talking about an adjective meaning "tough." I am talking about a noun referring to a Sicilian organization. When did you first hear of it?

Mr. D'ANNA. Mr. Burling, you said something to me about the adjective and I told you that I didn't exactly understand the difference because—

Mr. BURLING. I am not talking about the adjective.

Mr. D'ANNA. I am not an attorney. I didn't have an opportunity to get a good education. If I make a mistake in regards to the true interpretation, I don't understand the true—

Mr. BURLING. You do not know the difference between the adjective "mafioso," and the noun referring to the Sicilian organization, the Mafia?

Mr. D'ANNA. No.

Mr. BURLING. You were born in Sicily and you never heard of the Mafia?

Mr. D'ANNA. Yes, I was born in Sicily. I left there—I was a boy of 5 years old. How did you hear these things at 5 years old? Who is going to talk—I can't understand your question.

MR. BURLING. Your father and your two uncles are murdered in a typical gang fashion and you never heard of the Mafia—is that your statement?

MR. D'ANNA. Well, I heard in the late years—I have heard the name “Mafia” and “mafioso.” My interpretation is that in the Italian home, the expression “mafia” or “mafioso” means tough guy, rough guy—oh, you are a tough guy.

MR. BURLING. You never heard of an organization called the Mafia?

MR. D'ANNA. No, sir.

MR. BURLING. You believe such an organization exists?

MR. D'ANNA. Well, I don't know. I can't believe—I don't know if things like that exist. You read stories, you read papers about Italy and about the different places. You heard of a lot of things, but I don't know—I can't say it exists or don't exist, because I don't know.

MR. BURLING. You never heard of it, is that right?

MR. D'ANNA. Well, I heard the name but I don't know what the meaning or the interpretation of the thing is.

MR. BURLING. Is it not the fact that you are the Detroit headquarters of the Mafia? “Yes” or “No,” sir.

MR. D'ANNA. No, sir, I don't know a thing about what you are talking about.

MR. BURLING. Now, you never discussed with anyone—your uncle or anybody else or any friends when you were 18 or 19 years old, when your two uncles and your father were murdered—that there was a possibility that those were Mafia killings?

MR. D'ANNA. No. Uncle said it was jealousy.

MR. BURLING. You do not know what the jealousy was about?

MR. D'ANNA. No, I don't.

MR. BURLING. You do not understand what I mean when those were Mafia slayings, except that a tough guy did the murdering; is that right?

MR. D'ANNA. If they did, I don't know; I can't say because, Mr. Burling, I was a young boy.

MR. BURLING. You were old enough to know your own father had been murdered in cold blood and your two uncles had been murdered in cold blood, were you not?

MR. D'ANNA. Yes.

MR. BURLING. You do not know that those were Mafia killings, is that right?

MR. D'ANNA. I don't know, I don't know. I had enough work taking care of seven little brothers and sisters.

MR. BURLING. You do not know? Please do not volunteer. You will be given a chance to make a statement afterward. Now, shortly after these murders, you yourself went to jail in connection with a murder?

MR. D'ANNA. Yes, I did.

MR. BURLING. That was for attempted bribery of a witness to another murder, is that right?

MR. D'ANNA. That is right.

MR. BURLING. Is this correct: Two men were charged with a murder and one of their wives asked you to go to see two witnesses and gave you \$300 to give the witnesses, is that right?

MR. D'ANNA. Well, I was asked—

MR. BURLING. Is that correct?

MR. D'ANNA. Well, it isn't just exactly correct.

MR. BURLING. Then you state it correctly.

MR. D'ANNA. First, this is some time ago. This is almost 30 years ago. I was given some money and asked if I could get an attorney—counsel or somebody for them.

MR. BURLING. You were asked what?

MR. D'ANNA. I was asked if I could get an attorney for these people.

MR. BURLING. For who?

MR. D'ANNA. For one of the men that was arrested.

MR. BURLING. That is not what you told me in my office, is it? Is that what you told me in my office?

MR. D'ANNA. Yes. I told you that I was given some money—I was given some money to help in this thing.

MR. BURLING. Is it not a fact, Mr. D'Anna, you told me you were given the money to give the witnesses? Two people saw the murder and you were given the money to give to them?

MR. D'ANNA. Yes, but—

MR. BURLING. Please answer the question and listen to it. Will you answer my question, sir?

THE CHAIRMAN. The question is very clear, Mr. D'Anna. Just answer "Yes" or "No." Then after answering it, you may make a statement in explanation. The question is very clear.

MR. D'ANNA. I asked some question to this gentleman when I was called. This is something that happened 28 or 30 years ago.

THE CHAIRMAN. The question is directed to what happened just a few days ago, not 28 years ago, as to what you told Mr. Burling in this connection.

MR. BURLING. Did you or did you not tell me that the wife of one of the two defendants in this murder case gave you \$300 to give to the witnesses to the murder?

MR. D'ANNA. Look, I was given \$300—

MR. BURLING. Did you tell me that?

MR. D'ANNA. I think I said something to that effect, yes.

MR. BURLING. Thank you.

MR. D'ANNA. As I say here, my memory doesn't put me up to date as to what happened exactly 30 years ago.

MR. BURLING. You only have to remember what you told me last week.

All right, these witnesses would not accept the money; is that right?

MR. D'ANNA. No.

MR. BURLING. It is not right?

MR. D'ANNA. They did not accept the money.

MR. BURLING. Instead they reported you to the police and you were charged with attempted bribery and sentenced to 5 months in the workhouse; is that right?

MR. D'ANNA. Yes; and I paid the debt to society and I have tried ever since.

MR. BURLING. That is the last time you served time; is that correct?

MR. D'ANNA. That is correct.

MR. BURLING. You have been arrested since then twice for felony charges; is that right?

Mr. D'ANNA. I have been arrested twice?

Mr. BURLING. Is that not so?

Mr. D'ANNA. I don't remember.

Mr. BURLING. Were you arrested on a prohibition charge?

Mr. D'ANNA. I don't remember.

Mr. BURLING. Well, in order to avoid any injustice, I suggest that we at this time mark this in evidence.

The CHAIRMAN. Might I suggest, Counsel, that if you have the record, you state to the witness what the record discloses as to the date and the charge, and ask him whether or not that is correct.

Mr. BURLING. Yes.

Mr. Chairman, the record of the Detroit Police Department shows that the witness was arrested on October 19, 1922, the charge being violation of prohibition, disposition not given; is that correct?

Mr. D'ANNA. I don't remember.

The CHAIRMAN. You do not remember?

Mr. D'ANNA. No.

Mr. BURLING. The second one is July 2, 1924, armed robbery, disposition—discharged.

Mr. D'ANNA. What? I was armed?

The CHAIRMAN. The charge was armed robbery. Now, the question is, Was that charge preferred against you? Were you arrested on that charge?

Mr. D'ANNA. When was this?

Mr. BURLING. 1924.

The CHAIRMAN. Do you deny that that record and those charges apply to you?

Mr. D'ANNA. That one there—if I was arrested, it could be possible I might have been picked up and charged with that, but I don't know.

The CHAIRMAN. Do you want to tell us you do not remember whether you were arrested or not?

Mr. D'ANNA. I am trying to recollect.

The CHAIRMAN. You just try to recall whether you were arrested or not. Just take a minute or two and recall, and then state whether you were arrested first of all. Tell us "Yes" or "No."

Mr. D'ANNA. It seems to me that I was arrested once more, but I don't know of any other time.

The CHAIRMAN. For what were you arrested?

Mr. D'ANNA. I don't know.

The CHAIRMAN. You do not remember that?

Mr. D'ANNA. No.

The CHAIRMAN. When were you arrested?

Mr. D'ANNA. It seems at one time I was going to a ball game—

The CHAIRMAN. Don't give us the facts now, just what was the charge?

Mr. D'ANNA. I don't know if there was a charge against me or not.

The CHAIRMAN. How long were you locked up or what came of that?

Mr. D'ANNA. I believe, if I remember right, they let me go the next morning.

The CHAIRMAN. Is that as far as you can remember?

Mr. D'ANNA. Yes.

The CHAIRMAN. Were you arrested any other time?



Mr. D'ANNA. Not that I remember.

The CHAIRMAN. You do not remember.

Mr. D'ANNA. No.

Mr. BURLING. Is the photograph which I now show you an early photograph of you, Mr. D'Anna?

Mr. D'ANNA. Yes.

Mr. BURLING. May I introduce the photograph and attached police record as exhibit No. 2?

(The document identified was thereupon received in evidence as exhibit No. 2 and is on file with the committee.)

Mr. BURLING. Not counting the time you spent in the house of correction, is it correct, after you left school you first worked in an alkali company and then in the fruit business?

Mr. D'ANNA. Yes.

Mr. BURLING. That takes us up to 1925, and then you became a bootlegger, did you not?

Mr. D'ANNA. I sold sugar.

Mr. BURLING. You sold liquor, too, didn't you?

Mr. D'ANNA. No.

Mr. BURLING. Did you not?

Mr. D'ANNA. I might have bought a bottle of liquor—

Mr. BURLING. I am not asking if you bought a bottle of liquor, but I am asking you if you did not sell a good many bottles of liquor? Do you deny it?

Mr. D'ANNA. I said I was not a bootlegger.

Mr. BURLING. To the contrary, you were in the sugar business?

Mr. D'ANNA. Yes.

Mr. BURLING. Most of your customers were bootleggers, were they not?

Mr. D'ANNA. Look, I sold sugar like anybody else.

Mr. BURLING. You deny that most of your customers were bootleggers?

Mr. D'ANNA. Well, I sold sugar.

Mr. BURLING. Will you please answer my questions? Do you deny that most of your customers were bootleggers?

Mr. D'ANNA. I sold sugar and didn't—it didn't make any difference to me what they were.

Mr. BURLING. Will you answer my question, sir? Did you not know that most of your customers were bootleggers?

Mr. D'ANNA. Senator O'Connor—

The CHAIRMAN. We can move along very promptly if you will just confine yourself to the question, and if you know, say so. There is no other remarks called for. Just answer the question.

Mr. D'ANNA. I imagine some of them were. I didn't ask anybody.

The CHAIRMAN. The question is, Did you not know that most of your customers were bootleggers? Did you know whether they were or were not, and, if so, what is the fact?

Mr. D'ANNA. I can only answer that in that way, some of them must have been bootleggers.

The CHAIRMAN. Some of them must have been.

Mr. D'ANNA. Right. Some of them—they bought sugar like everybody else.

Mr. BURLING. I am not going to tax your memory by going back 25 years, but will ask you to go back to last week. Did you not tell me that most of your customers were bootleggers?

Mr. D'ANNA. Well, I can only answer the same way. Some of them might have been bootleggers.

Mr. BURLING. Did you not tell me, perhaps you were making it up, but did you not tell me that most of your customers were bootleggers?

Mr. D'ANNA. If that is what I told you, that is what I must have told you.

Mr. BURLING. Did you tell me, sir? You can remember back 1 week, can you not?

Mr. D'ANNA. If you have it on paper, then I don't doubt your word.

Mr. BURLING. I am frankly not interested whether you doubt my word or not. Did you tell me—answer the question—did you tell me last week that most of your customers were bootleggers?

Mr. D'ANNA. I believe I told you that some of these customers must have been bootleggers.

Mr. BURLING. Do you deny it for the record?

Mr. D'ANNA. No, I don't deny it.

Mr. BURLING. I will state for the record that my recollection of the statement of the witness to me and to other members of the staff was that most of his customers were bootleggers and he knew it. Do you deny my statement?

Mr. D'ANNA. I can only answer it in that way—

Mr. BURLING. Do you deny my statement?

Mr. D'ANNA. I can only answer—

Mr. BURLING. Do you deny my statement that most of your customers were bootleggers?

Mr. D'ANNA. I can only state that some of those customers were bootleggers.

Mr. BURLING. Mr. Chairman, may I ask that the chairman—

The CHAIRMAN. It is very clear and very simple, Mr. D'Anna. Counsel asks whether you did not state to him that most of your customers were bootleggers and that you made that statement last week.

Mr. D'ANNA. Your Honor, I may have said that most of them were bootleggers.

The CHAIRMAN. Then you do not deny it?

Mr. D'ANNA. I don't deny that I said that some of them were bootleggers, but to what extent I don't know. I wasn't asking everybody what they were going to do with it. Again, I say, Your Honor, that I had a large responsibility of children to support.

Mr. BURLING. Is it not the fact that you were in partnership with Joe Massei?

Mr. D'ANNA. No, sir.

Mr. BURLING. Did you ever have any business dealings with Joe Massei?

Mr. D'ANNA. No, sir, not that I remember.

Mr. BURLING. I might state at this point, for the record, Mr. Chairman, that the committee has been endeavoring for some weeks to serve notice on Joe Massei, who resides in Miami, Fla., and has a large house and business there. He is obviously hiding from the processors of this committee.

The CHAIRMAN. Do you know Joe Massei?

Mr. D'ANNA. Yes, he was born and raised in my town.

MR. BURLING. I show you a photograph and ask you if that is Joe Massei?

MR. D'ANNA. Yes, this is Joe.

MR. BURLING. Mr. Chairman, I ask permission to place in the record, a photograph of Joe Massei, since he is not here to testify for himself, together with his Detroit Police Department criminal record.

THE CHAIRMAN. That will be marked as the next exhibit and put into evidence.

(The document identified was thereupon received in evidence as exhibit No. 3, and appears in the appendix on p. 265.)

MR. BURLING. You deny, do you, that you ever had any business dealings with Massei?

MR. D'ANNA. I can't remember.

MR. BURLING. You can't remember?

MR. D'ANNA. No.

MR. BURLING. Was he a bootlegger in Wyandotte between 1925 and 1931?

MR. D'ANNA. I don't know. I don't care to answer anything about Joe Massei because that's not my business.

MR. BURLING. You mean you refuse to answer?

MR. D'ANNA. It's not my business to answer.

MR. BURLING. Did you ever hear that he had the reputation of being a bootlegger?

MR. D'ANNA. Well, I read the papers like everybody else.

MR. BURLING. I am going back to the years '25 to '31. In those years, did you know that he was a bootlegger?

MR. D'ANNA. Senator—I don't care to answer that question about Joe Massei because it's none of my business.

THE CHAIRMAN. The question is whether or not you knew it, you knew about whether he was.

MR. D'ANNA. Senator, it's none of my business.

MR. BURLING. Mr. D'Anna, before you go any further, I will tell you why I ask that question: At least one witness who will appear before this committee is going to testify that you had the universal reputation of being—you and Massei being in partnership and the kingpins of the bootlegging business in Wyandotte. So I want to know what you know about Massei's business.

MR. D'ANNA. They can say what they want. Everybody is privileged to say what they want to, but I don't want to say anything about Joe Massei because it's none of my business.

MR. BURLING. What was his reputation in 1925 in Wyandotte?

MR. D'ANNA. I refuse to comment on other people's reputations. It is none of my business. I am not an attorney.

THE CHAIRMAN. We are interested in what you know as to whether you knew that he was engaged in that operation.

MR. D'ANNA. Your Honor, that is not for me to say. The police department—

THE CHAIRMAN. It is for us to demand of you that you tell us what you know. That is what we are here for. That is what we want to know.

MR. D'ANNA. Your Honor, again I say my education is limited—

THE CHAIRMAN. Yes.

MR. D'ANNA. I have been through the school of hard knocks, and I am thankful to God Almighty and my country—

The CHAIRMAN. All right, we have heard that.

Mr. D'ANNA. I don't have the education that would lead me to feel whether I have the right to answer that question, but honestly, I feel that it is not my business to say anything about Joe Massei because his life has been an open book.

The CHAIRMAN. Yes. Well, just stop right there. The question is, Do you know whether he was, not as to what you know, but do you know what his reputation was as to whether he was so engaged?

Mr. D'ANNA. Your Honor, I went to school with Joe at St. Patrick's School, and I always felt that he was a fine man. He comes from a fine family. Now, what his reputation is, please don't ask me to say anything because I don't care to say anything about Joe Massei.

Mr. BURLING. You prefer to leave the record indicating you don't care to tell this subcommittee of the committee of the United States Senate what you know about Joe Massei's reputation, so we'll go on.

Mr. D'ANNA. It is none of my business. It is not my business.

The CHAIRMAN. Next question.

Mr. BURLING. I want you to address your memory to the year 1931. At that time, you didn't know anything about the automobile business, did you?

Mr. D'ANNA. No.

Mr. BURLING. You had never been in it?

Mr. D'ANNA. No.

Mr. BURLING. But you decided you would like to obtain a Ford agency in Wyandotte; is that right?

Mr. D'ANNA. Well, I decided that I would like to get in the automobile business if it is possible.

Mr. BURLING. You didn't care whether it was Ford or Chevrolet?

Mr. D'ANNA. Yes, I felt if I could get in the automobile business, I thought would maybe be a good venture.

Mr. BURLING. Specifically, you wanted the Ford agency in Wyandotte; isn't that right?

Mr. D'ANNA. Well, that's the agency that I tried to get.

Mr. BURLING. Now, isn't this the fact; that you spoke to a man you knew named Walter Hancock and asked him if he would arrange an introduction with Mr. Bennett?

Mr. D'ANNA. Yes.

Mr. BURLING. And how soon after that did he arrange an introduction to Mr. Bennett?

Mr. D'ANNA. Well, can I answer the question as I feel I did——

Mr. BURLING. Answer the question of time. How long after you spoke to Hancock, did Hancock arrange a meeting with Bennett?

Mr. D'ANNA. I don't remember that.

Mr. BURLING. Was it a week, 6 weeks?

Mr. D'ANNA. I don't remember. I just don't remember.

Mr. BURLING. Would you agree that it was about 6 weeks?

Mr. D'ANNA. I just don't remember.

Mr. BURLING. You don't deny it anyhow?

Mr. D'ANNA. No. I asked Mr. Hancock if he knew——

Mr. BURLING. You don't deny it?

The CHAIRMAN. If he knew what?

Mr. D'ANNA. If he knew someone out to the Ford plant.

Mr. BURLING. You didn't specify Mr. Bennett?

Mr. D'ANNA. I don't think I specified him in particular. I don't remember but I asked him if he knew somebody out there.

Mr. BURLING. But you do not remember who you spoke to about it?

Mr. D'ANNA. I don't remember.

Mr. BURLING. Where did the conversation take place?

Mr. D'ANNA. I don't remember. I might have met him on the highway. I might have met him on the highway while driving.

Mr. BURLING. You might have, but what is your best recollection?

Mr. D'ANNA. I just—I just can't remember where the conversation took place. Now, I might have met him on the highway and——

Mr. BURLING. All right. You don't remember.

Mr. D'ANNA. That is it.

Mr. BURLING. Can you fix the date of this conversation?

Mr. D'ANNA. I can't.

Mr. BURLING. Does it refresh your recollection if I tell you it was shortly after the murder of Chester Lamarr?

Mr. D'ANNA. I don't think so. I think that Mr. Lamarr was alive.

Mr. BURLING. You do?

Mr. D'ANNA. I don't know.

Mr. BURLING. What did Mr. Hancock do at the time?

Mr. D'ANNA. He was—if I remember right, I believe he was a police officer.

Mr. BURLING. What rank?

Mr. D'ANNA. I always thought he was chief at River Rouge.

Mr. BURLING. The town of River Rouge?

Mr. D'ANNA. That is right.

Mr. BURLING. How did you come to meet him in the first place?

Mr. D'ANNA. I lived in Wyandotte. We used to go through River Rouge.

Mr. BURLING. You met him traveling through River Rouge; is that right?

Mr. D'ANNA. That's right, I imagine.

Mr. BURLING. When would you say you first met him?

Mr. D'ANNA. I don't know.

Mr. BURLING. What is your best recollection?

Mr. D'ANNA. Gee, I don't know. That was so long ago.

Mr. BURLING. You have been thinking about it a good deal in the past week or 10 days, haven't you?

Mr. D'ANNA. I don't know.

Mr. BURLING. Haven't you?

Mr. D'ANNA. I don't know whether—I don't know. I have been thinking of this whole general problem here, but I don't know when I met him. Can any man remember——

Mr. BURLING. Excuse me. You do not remember when you met Mr. Hancock?

Mr. D'ANNA. That's right.

Mr. BURLING. But at any rate, you met him because you had to drive through River Rouge?

Mr. D'ANNA. I drove through River Rouge to Detroit.

Mr. BURLING. And that is how you came to meet him?

Mr. D'ANNA. I imagine it must have been through some way in there. I just can't——

Mr. BURLING. Please don't imagine, Mr. D'Anna. Tell us the fact.

Mr. D'ANNA. I can't, because this is a long time ago. I don't know.

The CHAIRMAN. Just stop right there then.

Next question.

Mr. BURLING. You told me, did you not, that you met him in connection with driving through River Rouge, because he was a policeman? That is what you said to me in my office, isn't it?

Mr. D'ANNA. Well, maybe that's how I met him.

Mr. BURLING. Isn't that what you said, Mr. D'Anna?

Mr. D'ANNA. I think that I said to you I met him——

Mr. BURLING. You did say that to me, sir, and isn't it entirely untrue?

Mr. D'ANNA. That I did meet him that way?

Mr. BURLING. Yes. Isn't it untrue?

Mr. D'ANNA. Well, I don't know of any other way that I could have met the man.

Mr. BURLING. Haven't you known him since you were a child?

Mr. D'ANNA. Well, yes. There is a possibility that I have known the man since I was a boy.

Mr. BURLING. I am not asking for the possibility. Don't you know him since before you were 14 years old?

Mr. D'ANNA. I might have.

Mr. BURLING. You might have, but didn't you?

Mr. D'ANNA. I might have. I just can't remember everything in life about how many people do I know.

Mr. BURLING. Excuse me. Please don't argue. Just answer the question and we will get along faster.

Mr. D'ANNA. Yes, but you ask me a question that I don't know. I might have met the man——

The CHAIRMAN. If you don't know, just say so, and stop there.

Mr. D'ANNA. I don't know, Senator.

The CHAIRMAN. Mr. Halley?

Mr. HALLEY. Mr. Chairman, I have observed the questioning of many hundreds of witnesses before the committee. Now, I do not think I have seen a witness so evasive in his answers, so apt to dodge a question, and apparently attempting to avoid telling the truth. I ask the chairman to admonish this witness to answer the questions more forthrightly and more honestly.

The CHAIRMAN. I do require the witness to answer the question directly, and to limit himself to the matters which are under inquiry. Listen to the question, and answer, and give a truthful and direct answer.

As counsel indicated at the outset, you will be given an opportunity later to make any other statement you wish so that you will be cut off from saying nothing. But we want you, at this time, to limit yourself to the questions that are asked, and to answer them.

Mr. D'ANNA. Thank you, sir.

Mr. BURLING. Now, at the time that you asked Mr. Hancock to arrange an appointment with somebody at the Ford plant, did you have any capital to invest in the automobile agency business?

Mr. D'ANNA. Not very much.

Mr. BURLING. Well, how much?

Mr. D'ANNA. I don't remember that. I don't know what I had.

Mr. BURLING. One hundred, a thousand, five thousand?

Mr. D'ANNA. The only way that I can answer that, Senator——

Mr. BURLING. What is your best estimate?

Mr. D'ANNA. Is that when I did get into the automobile business, I borrowed some money.

Mr. BURLING. So you didn't have any capital?

Mr. D'ANNA. I must have had somewhere around \$3,000, \$2,500.

Mr. BURLING. And no experience in the automobile business. At any rate, is it not the fact that Chief Hancock called you up and told you to come into his office and that he would take you to see Bennett?

Mr. D'ANNA. I don't remember if that is the way it was arranged.

Mr. BURLING. But you don't deny it?

Mr. D'ANNA. I don't deny that I did meet Mr. Bennett.

Mr. BURLING. Excuse me, Mr. Chairman.

Mr. D'ANNA. But I don't remember if that is the way it happened.

Mr. BURLING. Mr. Chairman, it is known here in Detroit, but I think the record ought to indicate this man is intelligent enough to have an income in the neighborhood of \$60,000; to have a half interest in a company that hauls away all Ford motor cars from the Ford plants; to be a director of a bank. I think he is also intelligent enough to answer the questions put to him.

The CHAIRMAN. I think that comment is in order. And, again I must say to the witness that you will be required to answer the questions. They are questions which can be clearly understood by a man of your intelligence, and you have indicated very clearly that you know what is wanted and what the questions are addressed to. So, we must expect of you and we demand of you that you answer the questions directly.

Counsel, would you put the next question to him.

Mr. BURLING. You do not deny—do you?—that Hancock telephoned you and told you to come into his office in the Police headquarters in River Rouge and that he would take you by car to Bennett's office in the plant?

Mr. D'ANNA (no response).

The CHAIRMAN. Is that the fact?

Mr. D'ANNA. Senator, I don't remember him calling me, but I remember going out to see Mr. Bennett with Mr. Hancock. Now, I don't remember if it was a telephone call or if I met him or how it happened. That's why I say you say to me I got to answer "Yes" or "No," but——

Mr. BURLING. You know whether you remember. If you don't remember, say so.

Mr. D'ANNA. I don't remember if that's just the way it happened, but I remember going out to meet him.

Mr. BURLING. That is why I am asking you the questions as I am. If you don't remember, you can't deny it; can you?

Mr. D'ANNA. That's right.

Mr. BURLING. Very good. Now, do you or do you not remember that you were told that Bennett wanted to see you?

Mr. D'ANNA. He wanted to see me?

Mr. BURLING. Yes.

Mr. D'ANNA. I don't remember that; no.

Mr. BURLING. You don't deny it though; do you?

Mr. D'ANNA. That he wanted to see me?

Mr. BURLING. That he said so, and you were told so.

Mr. D'ANNA. I don't remember that.

Mr. BURLING. You don't deny it though; do you?

Mr. D'ANNA. Well, look——

Mr. BURLING. Do you deny it or do you not deny it?

Mr. D'ANNA. Well, I don't know if Mr. Bennett wanted to see me——

Mr. BURLING. Excuse me. I said: Were you told. You know whether or not you remember that you were told "Bennett wants to see you."

Mr. D'ANNA. By whom?

Mr. BURLING. Hancock.

Mr. D'ANNA. I don't remember that at all.

Mr. BURLING. I asked you: Do you deny it, sir?

Mr. D'ANNA. Mr. Burling, you asked me to say "Yes" or "No." and look——

Mr. BURLING. No; I asked you: Do you deny it?

Mr. Chairman, the reason for this long harangue is that we will introduce testimony hereafter that Bennett sent for this witness, and I think the record should show whether or not the witness denies the testimony; whether there is a contradiction or whether he says he just can't remember.

The CHAIRMAN. Is it or is it not a fact that Bennett sent for you?

Mr. D'ANNA. Senator, the man that can tell you the truth about that is the man that called me. I don't remember it.

The CHAIRMAN. What do you know about it? That's what we are interested in now. We can only take one at a time. What do you know?

Mr. D'ANNA. All I know is that I asked Mr. Hancock if he knew somebody out to Ford's, and he told me he knew Mr. Bennett, because I was interested in trying to get the Ford franchise if it was possible. But whether Mr. Bennett wanted to see me or not, that wasn't told to me by Mr. Bennett, because I didn't know him.

Mr. BURLING. I am not asking you whether Mr. Bennett told you. I am asking you whether Mr. Hancock told you "Bennett wants you."

Mr. D'ANNA. I don't remember that.

Mr. BURLING. But you do not deny that that is what happened?

Mr. D'ANNA. That he wanted to see me?

Mr. BURLING. You were told that. You are perfectly intelligent enough to understand what I am saying.

Mr. D'ANNA. I cannot honestly before this court or this committee, and as God is my judge, tell you that that is what was told me, because I don't remember that.

Mr. BURLING. That is not the question. You are plenty intelligent enough to know it. The question is: Can you before this committee and before God say that you were not told by Hancock: "Bennett wants to see you"?

Mr. D'ANNA. I can't honestly say that that is what was told to me because I don't remember that.

Mr. BURLING. But you can't honestly say that that did not happen either; can you?

Mr. D'ANNA. That is up to Mr. Hancock to say, if it was told to him. He is the only one that can say that. I couldn't say it because I didn't know Mr. Bennett at the time.

Mr. BURLING. The question is: What did Mr. Hancock say to you? Let us not fence around any longer. I am not asking you whether



you remember. I am asking you whether you will testify under oath that Hancock did not tell you "Bennett wants to see you."

Mr. D'ANNA. I don't remember.

Mr. BURLING. You do not testify under oath that that did not happen?

Mr. D'ANNA. I don't remember. Why should I say?

The CHAIRMAN. That is clear now.

Next question.

Mr. BURLING. At any rate, you went with Hancock to Bennett's office?

Mr. D'ANNA. Right.

Mr. BURLING. On the way to Bennett's office you had a discussion with Hancock about Chester Lamarr's murder; didn't you?

Mr. D'ANNA. No. I don't know—

Mr. BURLING. You deny it?

Mr. D'ANNA. I don't remember.

Mr. BURLING. Do you deny it?

Mr. D'ANNA. Yes, because I don't know if we talked about Chester Lamarr. We could have talked about a lot of things.

Mr. BURLING. You deny it because you don't know; is that your position?

Mr. D'ANNA. That's right.

Mr. BURLING. You don't remember; so you deny it?

Mr. D'ANNA. That's right. I don't remember that.

Mr. BURLING. I didn't ask you whether you remember it. I asked you whether you can testify under oath that it did not happen.

Mr. D'ANNA. I don't remember. I don't remember what—the only thing I can remember is talking to Mr. Hancock that I was interested in obtaining a franchise, if it was possible, in Wyandotte.

Mr. BURLING. I have not examined many witnesses for this committee, Mr. Chairman; but I have examined a great many witnesses in my professional life. I have insufficient skill to know how to get this witness to answer a question which I am sure he understands. The only thing I think we can do is to let the record speak for itself.

The CHAIRMAN. All right, proceed in that manner. The committee will draw its own conclusions. Answer the questions when they are asked.

Mr. D'ANNA. Senator, I am trying to answer them.

The CHAIRMAN. Next question.

Mr. BURLING. Is it not a fact that you told Hancock in this auto ride out to the Rouge plant that when Chester had been alive he and Joe Tocco never let you fellows get anywhere near the plant and that now maybe things would be different?

The CHAIRMAN. Answer the question and do not shake your head, because the reporter cannot get down a shaking of your head. What is your answer?

Mr. D'ANNA. No; I don't remember having a discussion like that.

Mr. BURLING. You deny it?

Mr. D'ANNA. Why, certainly.

Mr. BURLING. You do deny that?

Mr. D'ANNA. Yes.

Mr. BURLING. Then you do understand what the word "deny" means when you want to?

Mr. D'ANNA. Yes.

The CHAIRMAN. All right, you deny it; that is all.

Next question.

Mr. BURLING. When you arrived at the Ford plant, did you go to Mr. Bennett's office?

Mr. D'ANNA. I believe Mr. Hancock drove me right to his office.

Mr. BURLING. In Mr. Hancock's automobile?

Mr. D'ANNA. Yes.

Mr. BURLING. Who was present at the meeting between Bennett and you besides the two of you?

Mr. D'ANNA. I don't remember if there was anybody else present. I don't remember who was present. I remember I did meet Mr. Bennett that day.

Mr. BURLING. Hancock introduced you?

Mr. D'ANNA. Yes.

Mr. BURLING. Was there any discussion between you and Bennett at that time about the possibility that Joe Tocco would be murdered?

Mr. D'ANNA. Where does that make sense?

The CHAIRMAN. Just answer the question "Yes" or "No."

Mr. D'ANNA. No.

The CHAIRMAN. All right, now stop that now.

Next question.

Mr. BURLING. Going back in the car, had you talked to Mr. Hancock about Joe Massei?

Mr. D'ANNA. No; I don't remember talking to him.

Mr. BURLING. You don't deny it?

Mr. D'ANNA. No; we might have talked about—

The CHAIRMAN. Don't tell us what you might have talked about; tell us what did occur.

Mr. D'ANNA. I don't know.

Mr. BURLING. Will you state what you and Mr. Bennett said to each other?

Mr. D'ANNA. I don't remember what conversation we had. I don't even remember if at that moment I asked Mr. Bennett if it was possible to get the Ford franchise or if the Ford franchise was open and available in Wyandotte.

The CHAIRMAN. Do you want this committee to believe that you were seeking this particular business and that you undertook to go to see Mr. Bennett about it and then, when you got there, you do not remember what you said? Do you expect this committee to believe that? If you do, you are just wasting your time. That is absurd, and the committee can give no credence to it whatsoever. What we want to do is get the truth from you; and, if you want to give the truth, now is an opportunity to do it.

Mr. D'ANNA. Senator, that is what I want to do.

The CHAIRMAN. You do not expect the committee to believe that, do you? Because we do not believe it.

Mr. D'ANNA. Senator, I can only say this, if I am going to be given the privilege to say it: That I just don't exactly remember if I asked him at that moment or if I went back.

The CHAIRMAN. What did you talk about on that first occasion?

Mr. D'ANNA. I don't remember.

The CHAIRMAN. What did you go there for?

Mr. D'ANNA. To meet him. My thought was to find out if the Ford franchise was available.

The CHAIRMAN. You went there for that purpose?

Mr. D'ANNA. Yes.

The CHAIRMAN. Then what did you do and say?

Mr. D'ANNA. I might have asked him about the Ford franchise.

The CHAIRMAN. Don't tell us what you might have said or what might have happened; tell us what you remember did happen.

Mr. D'ANNA. The only thing that could have happened was that I probably at that time, or if I went back some other time, asked him—it might have been at that one time when I first met him I asked him about the Ford franchise. I do remember—I don't remember whether it was that day or if I went back another day. He turned me over to a man by the name of Mr. Martin who was in charge of the Dearborn branch.

Mr. BURLING. Perhaps I can refresh your recollection and help you as to that conversation. Did Bennett say to you, "I sent for you because I hear you are going to knock off Joe Tocco"?

Mr. D'ANNA. No, sir.

Mr. BURLING. That is not true?

Mr. D'ANNA. That is not true.

Mr. BURLING. Did you by any chance say to him, "Yes, that's right, we are going to do that"?

Mr. D'ANNA. I said that?

Mr. BURLING. I asked you if that is what you said.

Mr. D'ANNA. That is not true.

Mr. BURLING. Is it true that Bennett said to you, after some discussion, "Leave Joe Tocco alone. I don't want him knocked off, he is my man. I will see to it that you get a piece of the Wyandotte agency"?

Mr. D'ANNA. Mr. Burling—

Mr. BURLING. Is it true or not?

Mr. D'ANNA. There is no sense to that kind of language.

Mr. BURLING. Who had the Ford agency at that time—anybody? It was vacant, was it not?

Mr. D'ANNA. I remember that Mr. Pardo wasn't in the Ford agency at the time.

Mr. BURLING. There was not any Ford agency at Wyandotte at that time; is that not right?

Mr. D'ANNA. I don't know if there was or wasn't. I think somebody else had the agency then.

Mr. BURLING. But you are not sure?

Mr. D'ANNA. I know Mr. Pardo wasn't in the business.

Mr. BURLING. Pardo had been in the business from 1913 until just about that time; is that not right?

Mr. D'ANNA. I don't know just exactly the date. I can't answer that question for Mr. Pardo.

Mr. BURLING. After you talked to Bennett about whatever you talked to him about, what did you do next with respect to this agency?

Mr. D'ANNA. I think Mr. Martin told me that there was a possibility of obtaining it.

Mr. BURLING. Go on; what did you do next?

Mr. D'ANNA. I started to look around to see if I needed a building.

Mr. BURLING. Mr. Pardo had a building in which the agency had been?

Mr. D'ANNA. I talked to Mr. Pardo.

Mr. BURLING. Where?

Mr. D'ANNA. In Florida. He was in Miami, and I went down there to see him.

Mr. BURLING. You went down to Florida to see him?

Mr. D'ANNA. Yes.

Mr. BURLING. And what did you say to him?

Mr. D'ANNA. Well, I think I told him there was a possibility of getting the Ford franchise and he had the building and if he could consider us getting together that we could probably make some money with it.

Mr. BURLING. At that time you were a man who had associated with bootleggers, who had a criminal record, no capital, and no experience in the automobile business, and so he said, "Fine, I would like to have you for a partner." Is that what happened?

The CHAIRMAN. Is that the fact?

Mr. D'ANNA. Well, he didn't say that to me. Mr. Pardo never said that to me.

The CHAIRMAN. Did he agree to have you as a partner?

Mr. D'ANNA. Yes; Mr. Pardo said to me that it could be worked out—that he'd be glad to consider to go along.

Mr. BURLING. At any rate, you and Pardo formed a partnership called the Pardo Auto Sales Co., is that right?

Mr. D'ANNA. That is right.

Mr. BURLING. They used the name Pardo, and they didn't include your name in the company?

Mr. D'ANNA. Well, I kind of think that was the agreement, that was our understanding, the understanding when we got together. I believe that was the understanding, that Mr. Pardo would use his building.

Mr. BURLING. Did anybody ever tell you that Harry Bennett insisted on Pardo's name because you had a bad reputation?

Mr. D'ANNA. No.

Mr. BURLING. You never heard that?

Mr. D'ANNA. No.

Mr. BURLING. You and Pardo continued under the name Superior Auto Sales until 1939; is that correct?

Mr. D'ANNA. No.

Mr. BURLING. Pardo Auto Sales?

Mr. D'ANNA. Yes.

Mr. BURLING. At that time, Mr. Pardo dropped out and you arranged to have a corporation set up with your brother holding the stock?

Mr. D'ANNA. No; I did not.

Mr. BURLING. You did not arrange that?

Mr. D'ANNA. We dissolved the partnership and I was disgusted with the thing.

Mr. BURLING. You were disgusted with Ford agency, so you arranged to have your brother take it, is that your testimony?

Mr. D'ANNA. Well, no, before that I think that there is something else that ought to be cleared up in that operation.

Mr. BURLING. Please do, Mr. D'Anna.

Mr. D'ANNA. That is that I was in the transportation business and—

Mr. BURLING. We will come to E. & L. Cannot we go on with the agency now?

Mr. D'ANNA. But that has also got something that throws a light on why I was willing to—disgusted to go along any further with the Ford operation because I sold busses down there and then I was told that I wasn't going to be able to sell busses any more—the company was setting up another bus deal.

Mr. BURLING. We are not talking about busses. Is it not the fact that in 1939 the Pardo Auto Sales was dissolved and you arranged for your brother to have the agency under the name of Superior?

Mr. D'ANNA. I did not arrange that. Mr. Creed arranged that part of it.

Mr. BURLING. As to Superior Motor Sales, you had nothing to do with the arranging of it?

Mr. D'ANNA. Mr. Creed and I agreed to put up the building—I own the property that the present Superior Motor Sales is in.

Mr. BURLING. You owned the building?

Mr. D'ANNA. Yes.

Mr. BURLING. You built the building for the purpose of having your brother take the agency; is that right?

Mr. D'ANNA. Well, Mr. Creed—

Mr. BURLING. Did you build the building for that purpose?

Mr. D'ANNA. When they agreed, Mr. Creed called me—"Look, if you put up the building," he said, "well, I will arrange with the Ford Motor Co. and your brother will go in this thing and take it over—take the Ford franchise and rent your building." So I said, "O. K.," and that is what happened. Mr. Pardo and I agreed to dissolve the partnership.

Mr. BURLING. Mr. Creed was the manager in the Pardo Auto Sales?

Mr. D'ANNA. That is right.

Mr. BURLING. As a matter of fact, you very rarely went there; is that not so?

Mr. D'ANNA. No; I sold busses for a while.

Mr. BURLING. I am not talking about busses. I am talking about the sales of the Pardo Auto Sales.

Mr. D'ANNA. Well, yes; I was there and sold cars and trucks and busses as a salesman. That is what I started to apply myself to in that business.

Mr. BURLING. I thought you told you that the bus business was handled separately?

Mr. D'ANNA. Well, the bus business when I—

Mr. BURLING. Was it or was it not handled separately?

Mr. D'ANNA. Look—

The CHAIRMAN. Answer the question. Did the Pardo Co. engage in selling busses?

Mr. D'ANNA. Well, when—

The CHAIRMAN. Did it?

Mr. D'ANNA. Senator, when I started selling busses, it was given to me and the Pardos, the Pardo Sales. Now, I started selling busses to the DWT bus line down there.

Mr. BURLING. I cannot perceive what relevance that has to the question.

Mr. D'ANNA. It is all built around the sales of cars—busses—and the operation of the Pardo Sales. I have got to give you a true explanation of what happened.

Mr. BURLING. Is it not true, Mr. D'Anna, you told me in my office that Pardo did not want to go into the bus business and you handled that separately?

Mr. D'ANNA. That is right, he was——

Mr. BURLING. So the bus business has nothing to do with the Pardo Auto Sales, and let us stick to that.

The CHAIRMAN. Is that correct?

Mr. D'ANNA. But we paid the Pardo Auto Sales 5 percent so it is tied together, and I took the gamble with the Yellow Coach Co.

Mr. BURLING. That is fine, but it has nothing to do with what we are talking about. You did not go regularly to the Pardo sales room, did you?

Mr. D'ANNA. Yes.

Mr. BURLING. Is it not true you would drop in from time to time when you had a friend who wanted to buy a car? Is that not true?

Mr. D'ANNA. That isn't exactly true, because that was my bread and butter. That was where I got my start.

Mr. BURLING. There is no doubt that is where you got a lot of money, but the question is did you work at it?

Mr. D'ANNA. Certainly, I worked at it. I sold units and Mr. Pardo and Mr. Creed—Mr. Creed signed all the checks because he was manager of the place.

Mr. BURLING. He went to work there every day and you dropped in only occasionally, is that not so?

The CHAIRMAN. Is that the fact?

Mr. D'ANNA. I did go in there every day if possible—every other day. I was out selling merchandise, so that is where I got my commission.

Mr. BURLING. What kind of merchandise?

Mr. D'ANNA. Ford cars and Ford trucks—Ford busses.

Mr. BURLING. And Superior remains the Ford agency today, does it?

Mr. D'ANNA. That is right.

Mr. BURLING. You own the land on which the building is built and the buildings?

Mr. D'ANNA. That is right.

Mr. BURLING. Is it your testimony that you did not speak to Mr. Bennett at the time Superior was formed?

Mr. D'ANNA. No, sir.

Mr. BURLING. No conversation at all?

Mr. D'ANNA. No, sir.

Mr. BURLING. Did you ever see Mr. Bennett again while he was with Ford after the time that you got the agency?

Mr. D'ANNA. Did I see Mr. Bennett when?

Mr. BURLING. Between the time you got the agency and the time he left Ford?

Mr. D'ANNA. Out at the plant?

Mr. BURLING. Any place. Did you ever see him?

Mr. D'ANNA. Yes; I seen him out at the plant.

Mr. BURLING. Frequently?

Mr. D'ANNA. That is right.

Mr. BURLING. Mr. Chairman, may I have marked as "Exhibit 1-A" a full-page ad in exhibit 1, which contains references to every hoodlum we will call. It is a full-page ad and I would like to read it into the record.

The CHAIRMAN. The entire book is in the record and it is not necessary to mark it again.

Mr. BURLING. It says, "Compliments of the Superior Motor Sales, Wyandotte, Mich." Let us go back to E. & L. How did you get into that?

Mr. D'ANNA. I met a man by the name of Mr. Al Smith and God bless his soul, he was a fine citizen of our community—an attorney.

Mr. BURLING. Let us confine ourselves to the facts.

Mr. D'ANNA. All right. He told me——

Mr. BURLING. Just a minute. Will you go on and state simply how you got into the E. & L. Auto Transport?

Mr. D'ANNA. When he said that he had a client who had an interest in the E. & L. Transport Co. that wanted to sell out, I said, "Well——"

Mr. BURLING. What did he say the client's name was?

Mr. D'ANNA. Mr. Olinstein.

Mr. BURLING. Have you ever met him?

Mr. D'ANNA. I met him up there at the office.

Mr. BURLING. Had you ever met him at that time?

Mr. D'ANNA. No.

Mr. BURLING. Have you ever heard of him?

Mr. D'ANNA. No. I never heard of the E. & L. Transport Co. at that time.

Mr. BURLING. You purchased it, did you?

Mr. D'ANNA. Well, I went out and saw Mr. Lawson who owned the other half and asked him if he had any objections to me buying.

Mr. BURLING. What did he say?

Mr. D'ANNA. Well, he said, "I don't have any objections. With me it is all right. I can't get along with my other partner," and something to that effect. And we got together and bought it out.

Mr. BURLING. Now, will you describe the business of E. & L. Transport Co.?

Mr. D'ANNA. The E. & L. Transport Co. is transporters of Ford cars.

Mr. BURLING. They haul Ford cars away from the plants into various parts of the country, is that right?

Mr. D'ANNA. That is right.

Mr. BURLING. In interstate commerce?

Mr. D'ANNA. Well, yes.

Mr. BURLING. They cross State lines?

Mr. D'ANNA. Oh, yes.

Mr. BURLING. Did you ever speak to Mr. Bennett about your half interest in the E. & L. Transport?

Mr. D'ANNA. Mr. Bennett never even knew I bought into that company.

Mr. BURLING. Do you think it is going to be a surprise to him when we tell him today?

Mr. D'ANNA. I don't care. That is up to you and him, too.

Mr. BURLING. I am not interested in whether you care. Do you think it is going to be a surprise to him?

Mr. D'ANNA. Well, he later on heard that I was in there.

Mr. BURLING. How did you know that if you have never talked to him?

Mr. D'ANNA. He was in charge of the Ford plant. He must have known.

Mr. BURLING. You assume and you do not know?

Mr. D'ANNA. I know from later experience because later when we got into war, Senator O'Connor—when we got—when our country got into war, I was called by Mr. Sorensen and asked—

Mr. BURLING. Does this have anything to do with Mr. Bennett?

Mr. D'ANNA. Well, yes, because that is how Mr. Bennett found out something about the operation.

Mr. BURLING. Do you think Mr. Sorensen told him something, yes or no?

Mr. D'ANNA. He must have, but I'd like to answer it.

Mr. BURLING. You can make a speech later.

Mr. D'ANNA. Senator, can I answer that, the way it actually happened? Don't crucify me and not give the truth of the operation.

The CHAIRMAN. Your full rights are going to be protected. Just answer the question and we will get along very properly.

Mr. D'ANNA. I have got to answer the question as it actually happened. He asked me if Mr. Bennett knew. I am telling you.

Mr. BURLING. Did he or did he not? It is a simple question.

Mr. D'ANNA. He probably knew.

Mr. BURLING. Thank you.

Mr. D'ANNA. I didn't go and tell him. I wasn't asked—I didn't go and tell him. I don't remember telling him.

Mr. BURLING. Thank you.

Mr. D'ANNA. But I must tell you this, too, Senator, if you permit me—

The CHAIRMAN. You have answered the question fully. That will be enough right on that point.

Mr. D'ANNA. I wanted to answer this in this way, too, Senator, because I was called by Mr. Sorensen—or Mr. Bennett—

The CHAIRMAN. You have answered the question and that will be sufficient. You will have an opportunity later to make any statement you want. What is the next question?

Mr. BURLING. Now, in the E. & L. Auto Transport, you became an officer, did you not?

Mr. D'ANNA. Yes; vice president and secretary.

Mr. BURLING. Vice president and secretary; and in 1940 you were paid a salary of \$27,000?

Mr. D'ANNA. Well, the books speak for themselves.

The CHAIRMAN. Don't you know?

Mr. D'ANNA. Yes.

The CHAIRMAN. Do not give us evasive answers. Answer "Yes" or "No." You knew that?

Mr. D'ANNA. I don't know if it is what the exact amount is, but whatever the amounts are, Senator—we have auditors.

The CHAIRMAN. Do not give us all of that.

Mr. BURLING. It has been about \$27,000 a year for the past 10 years, has it not?

Mr. D'ANNA. Yes; I imagine.



The CHAIRMAN. Do not imagine; tell us.

Mr. D'ANNA. It must be.

The CHAIRMAN. You expect the committee to believe that you do not know whether you made \$27,000 a year for the last 10 years?

Mr. D'ANNA. Senator, we changed the wage rate.

The CHAIRMAN. Tell us what you made, then, if you know.

Mr. D'ANNA. If you have the records there, you—

The CHAIRMAN. We want to know what you know. We want to know how much to believe you. On the strength of what you have told me so far, we cannot believe much because you certainly are not entitled to belief. That is because you are evasive and you are not giving the full facts to this committee. You were asked whether you know you have made \$27,000 a year for the last 10 years. A man of your intelligence who can dodge, squirm, and evade as you have this morning knows whether he has made \$27,000 a year for 10 years. If you cannot answer that, do not expect us to believe anything.

Mr. D'ANNA. What was the question?

(The question was read.)

Mr. D'ANNA. I believe it was.

The CHAIRMAN. The answer is, "I believe it was." What is the next question? Is not the answer, "I believe it was"? Did you not just say that?

Mr. D'ANNA. Yes; I believe it must have—it was. I believe you have those records.

The CHAIRMAN. You said you believe it was?

Mr. D'ANNA. Yes; I believe it must have been. I believe it is.

Mr. BURLING. Your reason for believing it is that we have the records; otherwise you do not know what your salary is?

Mr. D'ANNA. I do.

The CHAIRMAN. I suppose you paid income taxes on it?

Mr. D'ANNA. Oh, Senator, you bet.

Mr. BURLING. All right; and with the exception of setting up an operation—and I am going to make the exception clear—to remove bombers from the Willow Run plant, and with that single exception, you drew substantially nothing in return for that salary you drew?

Mr. D'ANNA. That isn't true.

Mr. BURLING. Mr. Lawson, who is the owner of the other half, is the president?

Mr. D'ANNA. That is right.

Mr. BURLING. He goes to the office every day and attends to the business?

Mr. D'ANNA. That is right.

Mr. BURLING. He signs all the checks; is that right?

Mr. D'ANNA. Yes. I have the right to sign the checks.

Mr. BURLING. I did not ask you. You do not, do you?

Mr. D'ANNA. Well, I figure—

Mr. BURLING. You do not, do you?

Mr. D'ANNA. No; it is his responsibility.

Mr. BURLING. And today he has a general manager under him who is now a son-in-law?

Mr. D'ANNA. That is right.

Mr. BURLING. Then you have got drivers and a man in charge of all the drivers?

Mr. D'ANNA. That is right.

Mr. BURLING. You have got mechanics and have a foreman who is in charge of the mechanics; is that right?

Mr. D'ANNA. That is right.

Mr. BURLING. You have a bookkeeper, do you not?

Mr. D'ANNA. Yes; we do.

Mr. BURLING. You have the usual clerical staff?

Mr. D'ANNA. That is right.

Mr. BURLING. You only deal with Ford because Ford is the only company you haul for; is that right?

Mr. D'ANNA. That is right.

Mr. BURLING. Suppose you just tell us what you did in the year 1949 to earn \$27,000.

The CHAIRMAN. What you did.

Mr. D'ANNA. Well, I own 50 percent of that stock.

Mr. BURLING. I am not asking if you received dividends. I am asking about a salary. What did you do to earn the salary?

Mr. D'ANNA. I go there every other day or every day at times or three or four times a week or five times a week.

Mr. BURLING. And do what?

Mr. D'ANNA. Whatever—I am in a managerial capacity with Mr. Lawson. We work together and our decisions are made together.

Mr. BURLING. That is not what you told me?

Mr. D'ANNA. The responsibilities are ours together because that is our company—our operation.

Mr. BURLING. That is not what you told me in my office, is it?

Mr. D'ANNA. Well, what else would I be doing?

Mr. BURLING. That is not what you told me in my office, is it?

Mr. D'ANNA. What did I tell you in your office?

The CHAIRMAN. Suppose you tell us.

Mr. BURLING. Is it not the fact that several of us questioned you for nearly a half an hour about what you did and found there was somebody doing everything that there was to be done and that there was nothing left for you to do, and then you admitted you did nothing?

Mr. D'ANNA. I did nothing? Isn't this my company? Ain't I supposed to make decisions as to whether we can do this or do that along with the other part owner?

Mr. BURLING. Does not Mr. Lawson, in fact, run it entirely, together with the general managing?

Mr. D'ANNA. Well, we have a very efficient operation, but when it comes to—

Mr. BURLING. I am delighted to hear it.

Mr. D'ANNA. When it comes to deciding on investments and things that mean anything to the company, I have been there, too.

Mr. BURLING. You say you perform the functions as vice president and secretary?

Mr. D'ANNA. That is right.

Mr. BURLING. Isn't it a fact that you were taking a free ride on the Ford coattails for \$27,000 a year?

Mr. D'ANNA. That is not true.

Mr. HALLEY. Are you a director of the company?

Mr. D'ANNA. Why certainly.

Mr. HALLEY. You sit on the board of directors?

Mr. D'ANNA. Why sure.

Mr. HALLEY. A director is entitled to a salary as a director, but that is not what you got your salary for?

Mr. D'ANNA. I get my salary because I am there to help decide where we are going with our organization and operation.

Mr. HALLEY. Aside from the decisions you made as a director at the board of directors' meetings, what other decisions did you make?

Mr. D'ANNA. Anything that might involve our company.

Mr. HALLEY. For instance, what decisions did you make in the last year?

Mr. D'ANNA. Well—

Mr. HALLEY. What decisions did you make last year?

Mr. D'ANNA. Well now, let's go back to the days—let's go back now to when our country got into the war.

Mr. HALLEY. Let's talk about 1950.

The CHAIRMAN. Last year.

Mr. D'ANNA. Last year?

Mr. HALLEY. Yes.

Mr. D'ANNA. We have had no decisions to make. We have been going along all right.

The CHAIRMAN. So the answer is that you got \$27,000 for making no decision, is that right?

Mr. D'ANNA. Well, if you want to put it that way, or count it that way—

The CHAIRMAN. Is that right?

Mr. D'ANNA. Senator, if you want to put it that way—

The CHAIRMAN. No; I want to know what you want to say? Is it a correct statement that you received \$27,000 for making no decisions? Is that correct?

Mr. HALLEY. Mr. Chairman, may the record show that he does not answer? He has already said it anyhow.

Mr. D'ANNA. It isn't that I made no decisions. We were watching our operations.

Mr. BURLING. Mr. D'Anna, we want to be entirely fair with you. It is true, that during the war you were active in selling war bonds?

Mr. D'ANNA. Yes.

Mr. BURLING. You traveled throughout the State addressing various Italian-Americans, fraternal organizations, and otherwise speaking for the sale of war bonds, is that right?

Mr. D'ANNA. Why, yes.

Mr. BURLING. You did that in your capacity as an American citizen trying to do his part, is that right?

Mr. D'ANNA. That's right.

Mr. BURLING. You did that at your own expense?

Mr. D'ANNA. Yes.

Mr. BURLING. That is what you told me in my office, is it not?

Mr. D'ANNA. Yes.

Mr. BURLING. Yet you deducted in 1942, the sum of \$750 for additional entertainment. That was not at your expense and you took it off your income tax?

Mr. D'ANNA. Well, don't you do entertainment in your business when you meet people and didn't I go out to my place of business and meet people?

Mr. BURLING. Is this entertainment in connection with doing nothing for the E. & L. Transport?

Mr. D'ANNA. You say that I do nothing. After all, a man can't own 50 percent in a company and not do anything with anybody else or with the people—

Mr. BURLING. At any rate, the deductions related to the E. & L. and did not relate to war bonds?

Mr. D'ANNA. Well, there are some deductions that were charged to E. & L. and the deductions on war bonds, I paid out of my own earnings.

Mr. BURLING. All right. You deducted in 1943, \$1,000 for entertainment. What kind of entertainment was that that you thought was deductible?

Mr. D'ANNA. In your business, don't you meet people and don't you try to be a gentleman to uphold your respect with the people you do business with?

Mr. BURLING. You thought you were entitled to take a tax deduction for trying to uphold your respect as being a gentleman?

Mr. D'ANNA. Well, it isn't the way you put it. It is in conjunction with your business. Don't all business people do these things?

Mr. BURLING. At any rate, it was in connection with E. & L.?

Mr. D'ANNA. Some of it is. In deductions in the service on war bonds, that was a different thing. When I arranged the first foreign broadcast, and helped to arrange the first foreign broadcast into Italy, 2 weeks before we were attacked at Pearl Harbor, I paid \$645 out of my pocket.

Mr. BURLING. And deducted it?

Mr. D'ANNA. I don't know just exactly what I deducted, but that is money I paid, wasn't it?

Mr. BURLING. You gave me quite a speech as to how you took all this money out of your pocket. You did not take it out of your pocket, but took it as an income-tax deduction.

Mr. D'ANNA. Aren't you entitled to do that? I wasn't being paid to do these things. I owed it to this country of mine.

Mr. BURLING. In 1944, the entry reads, "One thousand dollars for luncheons, dinners, et cetera, selling war bonds."

Mr. D'ANNA. That's right. I paid for my own gasoline expense to travel the entire State on every bond drive.

Mr. BURLING. And you deducted it.

Mr. D'ANNA. I wore out two or three automobiles. I remember when Dick Le Clare was a big shot in Arizona and he was down here, I took him around the State time and again, and I bought shoes and stockings for him. Wasn't I entitled to it? I was willing to give my time, but if I spent money, wasn't I entitled to deduct it?

Mr. BURLING. It is not a question of what you were entitled to, as it is that you are falsifying what you told me last week. In 1945, the amount was \$500. Let us come down to the year 1949. Is it correct that you took a motor trip with your wife and your daughter and her husband?

Mr. D'ANNA. Yes.

Mr. BURLING. You drove out to California and back, is that right?

Mr. D'ANNA. I remember it, in 1949, I think.

Mr. BURLING. It was 2 years ago, wasn't it?

Mr. D'ANNA. About 2 years ago.

Mr. BURLING. You passed through Tucson, Ariz.?

Mr. D'ANNA. Yes.

Mr. BURLING. Your son-in-law is an undertaker, is that right?

Mr. D'ANNA. Yes.

Mr. BURLING. Did you tell me the following story, that your son-in-law as an undertaker, had buried some of the members of Pete Licavoli's family, and he thought it would be appropriate to call on Pete Licavoli at the Grace ranch?

Mr. D'ANNA. I told you something to that effect but not in those exact words. I was in Tucson, Ariz., and stayed at the Santa Anita Hotel with my family.

Mr. BURLING. Did you tell me that the reason you went to Pete Licavoli's ranch was that your undertaker son-in-law thought he ought to call on the—on Pete Licavoli?

Mr. D'ANNA. That is not the exact words how I said that and referred to it. I was down there——

Mr. BURLING. Did you not tell me the motive was that your son-in-law was an undertaker and that he thought because he buried some of the Licavolis, that he better go see the Grace ranch?

Mr. D'ANNA. Not exactly in that tone of voice, Mr. Burling.

Mr. BURLING. Perhaps not in that tone of voice.

Mr. D'ANNA. Not in those exact words.

Mr. BURLING. I will agree with you that the tone of voice was altogether different.

Mr. D'ANNA. I remember telling you that we went to Pete Licavoli's ranch.

Mr. BURLING. What was your motive? I am talking about the motive.

The CHAIRMAN. Why did you go there?

Mr. D'ANNA. I went there because my daughter and my son-in-law are very friendly with Pete's wife. Whether it was Pete's father-in-law or someone in that family who had passed away in the last year or not, I don't remember. Tony, who is the undertaker, has buried their family. They are friendly. They insisted that we go over there. Pete has horses and my son-in-law is fond of riding horses. So I said, "If you want to go over there, let's go." I, myself, out of curiosity's sake heard about him having a ranch down there and thought I would see just what he had. You heard it around town here. We went over there. When we arrived there, he and his wife and the caretaker were there. My son-in-law rode the horses. They asked us to stay for supper and we left.

Now, you didn't ask me if I seen anybody else there. I have been thinking since you asked me that question that there was a gentleman who used to live in Detroit, Mr. Carracciola, who was in the fruit business, and who is a fine citizen.

Mr. BURLING. Is there anybody else?

Mr. D'ANNA. One of his children is an attorney. He is in business down there. They have always been friendly to us.

Mr. BURLING. Thank you very much.

In fairness to the witness, I think I must state for the record that I have nothing concerning that matter.

Mr. D'ANNA, will you briefly describe the Licavoli ranch? You told me it was like paradise.

Mr. D'ANNA. It looked like a beautiful set-up.

Mr. BURLING. Didn't you tell me it was like paradise?

Mr. D'ANNA. It was like a paradise to me. It looked like a paradise to me in the desert.

Mr. BURLING. Then you drove on to the coast and started back from the coast and this time you happened to pass through Palm Springs, is that right?

Mr. D'ANNA. I went to Tucson, and then went to San Diego——

Mr. BURLING. I am trying to hurry it up. You went to the coast and made some visits there and started back and on the way back, you passed through Palm Springs, Calif.?

Mr. D'ANNA. Yes; but you cut some of it out. That isn't only right——

Mr. BURLING. I do not care what you did—all right, go ahead.

Mr. D'ANNA. You asked me if I went to San Diego and I said I did, and who I visited, and I told you who I visited there. Then you asked me if I went to Los Angeles. You asked me about people's names whom I never heard of.

The CHAIRMAN. Did you go to Palm Springs?

Mr. D'ANNA. From Los Angeles I went to Palm Springs.

The CHAIRMAN. Now, we are at Palm Springs. Go ahead.

Mr. D'ANNA. We got in an accident——

Mr. BURLING. It is too bad but we are not interested in the automobile accident. You did get to Palm Springs finally after all these travels, did you not?

Mr. D'ANNA. How did I get to Palm Springs?

The CHAIRMAN. Did you go to Palm Springs?

Mr. D'ANNA. From Los Angeles I went to Palm Springs.

The CHAIRMAN. Now, we are at Palm Springs.

Mr. D'ANNA. I stopped at a mission. We got into an accident at one of the villages.

Mr. BURLING. We are not interested in your automobile accident. You did get to Palm Springs, finally, after all these travels, didn't you?

Mr. D'ANNA. But how did I get to Palm Springs? You jumped to Palm Springs, but how did I get to it?

Mr. BURLING. Will you agree you drove there in an automobile?

Mr. D'ANNA. You asked me for the truth, and let's not jump to Palm Springs. I headed for back home and on my way home, in one of the villages we stopped at a corner and a truck hit us.

Mr. BURLING. That is terrible. I am so sorry. But I am trying to find out what you did in Palm Springs, Calif. Did you ever get there?

Mr. D'ANNA. Yes. We went to a mission after the accident, and then the next morning, we went to Palm Springs. My family wanted to see Palm Springs.

Mr. BURLING. Fine.

Mr. D'ANNA. So we stayed at Palm Springs while they were repairing our car.

Mr. BURLING. Fine. While you were in Palm Springs, you visited another ranch, did you not?

Mr. D'ANNA. Yes, sir. I was anxious to see——

Mr. BURLING. I wonder if you will tell us whose ranch you visited?

Mr. D'ANNA. I was anxious to see Mr. Bennett's ranch. It was right close to Palm Springs.

Mr. BURLING. What did you do? Did you drive there?

Mr. D'ANNA. Yes. I drove over to see his place. I didn't know where it was at. I knew it was just outside—I thought it was in the city of Palm Springs. Instead, it was out of the city. So I went out there, and from a distance I could see it on the knoll when I arrived there.

Mr. BURLING. Is that as handsome or a less handsome establishment than Mr. Licavoli's?

Mr. D'ANNA. That is a beautiful looking place, too.

Mr. BURLING. And did you meet Mr. Bennett there?

Mr. D'ANNA. Yes; I met him there when I arrived there.

Mr. BURLING. Did you have dinner with Mr. Bennett?

Mr. D'ANNA. Yes, when I arrived there. I seen Mr. Bennett when I arrived there. He was—to be truthful, I thought he was kind of cool. I didn't know why he would be cool. I just—to me, he was always a gentleman out to the Ford Co.

Mr. BURLING. You had gotten on fine with him, had you?

Mr. D'ANNA. I beg your pardon?

Mr. BURLING. You had gotten on fine with him at the Ford Co.; is that right?

Mr. D'ANNA. I respected him. I thought he was always a gentleman. This business of what his affairs were, that was his and we—after I arrived there, I said, "Mr. Bennett, I was happy to come through here. I thought I'd stop in here and say "Hello"—something to that effect. And they have a bar down there, near the horses. He gave me a drink.

Mr. BURLING. You stopped for supper, too, didn't you?

Mr. D'ANNA. And he asked me to stay for supper, and there was another young lady who was supposed to be some movie-star assistant, or something, with her boy friend, and we went through the place. He's got a beautiful ranch-type home with a nice swimming pool out in front. And, in the meantime, he cooked supper, steaks. We had supper with him and left, and we went away.

Mr. BURLING. All right. By the way, on your way home from the coast, you also stopped at the Flamingo in Las Vegas?

Mr. D'ANNA. Yes, sir. My family wanted to stop at Las Vegas.

Mr. BURLING. That is the locality that Bugsy Siegel was in before he was murdered?

Mr. D'ANNA. Who?

Mr. BURLING. Bugsy Siegel.

Mr. D'ANNA. I don't know who you are talking about.

Mr. BURLING. You never heard of Bugsy Siegel?

Mr. D'ANNA. No, sir.

Mr. BURLING. Do you read the papers, Mr. D'Anna?

Mr. D'ANNA. Yes; I read the papers.

Mr. BURLING. And you want to tell this committee you never even heard of Bugsy Siegel?

Mr. D'ANNA. I don't know if I ever heard of him or not. I don't believe I ever heard of him.

Mr. BURLING. Now, as a matter of fact, last summer, you saw Mr. Bennett again, didn't you?

Mr. D'ANNA. Yes, sir.

Are you through with me on the Flamingo and all the gambling places? I took in all the gambling places with my family. I beat them out of about 50—

MR. BURLING. I believe the Chairman thinks I am capable of asking—

MR. D'ANNA. I beat them out of about 50 pennies.

THE CHAIRMAN. Let us move on now. The next question.

MR. BURLING. You saw Mr. Bennett last summer, didn't you?

MR. D'ANNA. Yes, sir.

MR. BURLING. You drove up to his farm at Clare, Mich.?

MR. D'ANNA. I was going up north. Mr. Bennett told me that—I said, "How come, Mr. Bennett, you never come back to Detroit," or something to that effect. He said, "Well, I go back to Detroit. I have a farm. I have a place up at Clare." He said, "Why don't you stop out there if you wish to?"

So, one summer, I was going up in the Upper Peninsula with my family, and I stopped. I was with my missus. He was there with his wife and his child, if I remember right, and I looked all through the place, all around the place. He's got a nice place there, on a lake. I thought maybe he was trying to sell the place or something. I didn't know.

MR. BURLING. All right. That is enough.

THE CHAIRMAN. Next question.

MR. D'ANNA. He served me a cup of coffee and I left. I haven't seen him since, until this morning.

MR. BURLING. You say you have seen Mr. Bennett this morning?

MR. D'ANNA. I saw him when he come in here.

MR. BURLING. I see. And you also have seen Mr. Licavoli since you saw him at his ranch; is that right?

MR. D'ANNA. Yes, sir.

MR. BURLING. That was about 3 months ago?

MR. D'ANNA. It might be 3 months ago. It might be—somewheres around there.

MR. BURLING. Around 3 months ago?

MR. D'ANNA. Yes; that's right.

MR. BURLING. Why did you go to see him at that time?

MR. D'ANNA. He called me on—

MR. BURLING. On the telephone?

MR. D'ANNA. Yes, sir.

MR. BURLING. And asked you to go to his house?

MR. D'ANNA. He started talking to me about milk, and things like that, something of the kind, and I went over there. I said, "I'm going out and I'll stop at your place."

MR. BURLING. And you did stop at his house?

MR. D'ANNA. That's right.

MR. BURLING. By the way, going back to Mr. Bennett's house, you described that to me as also quite an elaborate establishment, did you?

MR. D'ANNA. Yes; it looked like a nice place.

MR. BURLING. In fact, you said it was "too elaborate for us poor people," is that right?

MR. D'ANNA. Well, I said it was too elaborate for me.

MR. BURLING. You used the phrase "us poor people," didn't you?

MR. D'ANNA. Well, I might have said that; yes.



Mr. BURLING. And your income in 1948 was \$62,000; is that right?

Mr. D'ANNA. That's right. That don't make me a millionaire or a billionaire. I could still be rated as a poor people in an expression.

Mr. BURLING. You think a man with a \$62,000-a-year income is poor people? I see.

Mr. D'ANNA. Well, I—

Mr. BURLING. Is that right?

Mr. D'ANNA. Well, you say "poor" as an expression. A man with that kind of wages is very comfortable.

Mr. BURLING. Now, when you got to Licavoli's house, that is in Grosse Pointe?

Mr. D'ANNA. Yes.

Mr. BURLING. He showed you some cans of milk, I believe?

Mr. D'ANNA. Yes. He told me that he was getting in the milk business.

Mr. BURLING. In the canned milk business?

Mr. D'ANNA. That's right.

Mr. BURLING. What else did he talk to you about?

Mr. D'ANNA. That's all he talked to me about, about the milk business.

Mr. BURLING. He didn't by any chance talk to you about the fact that the Kefauver committee was going to come to Detroit, did he?

Mr. D'ANNA. Well, I don't know. I never paid attention to the Kefauver committee, only when I read these papers.

Mr. BURLING. He didn't talk to you about it, at any rate?

Mr. D'ANNA. No. One of the things that I said to him was, "If this is going to be a success, can you use any trucks, any Ford trucks?"

Mr. BURLING. I see. But you didn't talk about—

Mr. D'ANNA. But I never heard from him any more, and I don't know anything about the milk.

Mr. BURLING. You once went to his house another time to examine this paneling, I believe you told me? Is that right?

Mr. D'ANNA. Yes. The contractor that was building was remodeling my son's—

Mr. BURLING. All right.

Mr. D'ANNA (continuing). Did some—

Mr. BURLING. All right, thank you. Now, you have known Joe Massei all your life, I believe, you said?

Mr. D'ANNA. Yes.

Mr. BURLING. And you haven't seen him for the past 5 years?

Mr. D'ANNA. Five or ten years.

Mr. BURLING. I see. I believe you told me that you were in Miami a year ago, and you didn't look him up because you thought he was a bum?

Mr. D'ANNA. I didn't say that.

Mr. BURLING. Didn't you say you would have nothing to do with that kind of people?

Mr. D'ANNA. No; I don't remember saying that.

Mr. BURLING. You did not say that?

Mr. D'ANNA. I have no business relation with the people—

Mr. BURLING. You did not say that to me, that you wouldn't associate with that kind of people?

Mr. D'ANNA. Well, I don't know if I said that I wouldn't associate with him or not.

Mr. BURLING. I see.

Mr. D'ANNA. I went to school with Joe. He was a pretty good boy in school.

Mr. BURLING. Please try to answer the question, Mr. D'Anna.

Mr. D'ANNA. Yes.

Mr. BURLING. The question is, Didn't you tell me that you wouldn't have nothing to do with that kind of people?

Mr. D'ANNA. Well, if Joe——

Mr. BURLING. Didn't you say that?

Mr. D'ANNA. Well, if Joe was connected with the gambling business, I don't want no part of it.

The CHAIRMAN. The question is simply: Did you say that? Answer "Yes" or "No."

Mr. D'ANNA. Well, I don't know. I might have said, "I don't want anything to do with those kind of people"; yes.

The CHAIRMAN. All right. You say you may have said it?

Mr. D'ANNA. Yes.

Mr. BURLING. I would like to put in the record, Mr. Chairman, that my recollection is very clear that he did say that emphatically.

You also know Sam Perrone, don't you?

Mr. D'ANNA. Not very well.

The CHAIRMAN. Do you know him?

Mr. D'ANNA. Yes. I met him at church affairs.

The CHAIRMAN. All right.

Mr. D'ANNA. I met him at weddings, funerals——

Mr. BURLING. But over a period of 20 years——

Mr. D'ANNA. I don't think I have known him that long. I've only known him for the past 5 years, through the bazaars at the Holy Family Church bazaar.

Mr. BURLING. How about Pete Parroto? You know him, don't you?

Mr. D'ANNA. Yes; I have met him.

Mr. BURLING. How about Bill Tocco?

Mr. D'ANNA. I have met him, too.

Mr. BURLING. Joe Zerrili?

Mr. D'ANNA. Yes, sir.

Mr. BURLING. Carl Renda?

Mr. D'ANNA. Yes, sir.

Mr. BURLING. And did you know Joe Tocco before he was shot?

Mr. D'ANNA. Yes, sir.

Mr. BURLING. And Joe "Scarface" Bommarito?

Mr. D'ANNA. Yes. Senator, could I say this at this moment? Would you permit me to say——

The CHAIRMAN. Do you want to speak about knowing any of these people?

Mr. D'ANNA. Yes.

The CHAIRMAN. All right; go ahead.

Mr. D'ANNA. Senator, when the war broke out——

The CHAIRMAN. Is it very long?

Mr. D'ANNA. No. But when the war broke out I was asked to go along on the bond program of our Government, and I was asked to get together all of the Italian-American organizations in the community and assemble them at the Masonic Temple for the purpose of shortwaving to Italy a foreign broadcast.

The CHAIRMAN. And did you do so?

Mr. D'ANNA. I did it, and Senator, through that activity that I stayed with the department for 5 years at my own expense, which I feel that I owed this great country of ours, I made it my business to meet everybody I could, not only in Detroit and Wayne County, but throughout this entire State.

The CHAIRMAN. Very well. Good——

Mr. D'ANNA. And I traveled at my expense, and I had the opportunity of meeting all these people. I would assume bond for anybody, regardless of what his reputation was when our boys were dying in the front lines.

Mr. BURLING. But you knew all these hoodlums before the war. You didn't meet them in connection with selling bonds. You had known them for years.

Mr. D'ANNA. But I had a better chance of meeting a lot of other people though, during the war. Why do you just mention about the hoodlums? I met a lot of fine people in this great State and country of ours, too.

Mr. BURLING. There is no doubt about it. I think that you have, from starting out as a hoodlum, gone further to achieve respectability than any witness this committee has seen.

Mr. D'ANNA. I am sorry, Mr. Burling, that you call me a hoodlum. After all, I have tried to be a gentleman, and for the mistakes I made when I was a boy, I have paid, and I have cried ever since. I have shed tears ever since for that.

Mr. BURLING. Isn't it a fact, speaking of your crying, that the Immigration and Naturalization Service went to you a year or so ago and said that you were well known in the Italian community down-river, and it was a well-known fact that a lot of Italians were being smuggled across the river, and they appealed to you on patriotic grounds to help them as an informant, to help find the Italian smugglers?

Mr. D'ANNA. That's right.

Mr. BURLING. And isn't it a fact that you cried like a baby then, and that you refused to do that service for your country?

Mr. D'ANNA. Well, now, that is your statement.

Mr. BURLING. Isn't it a fact?

The CHAIRMAN. The question is: Is that a fact?

Mr. D'ANNA. Well, I was called by some man with the Immigration——

The CHAIRMAN. I think that can be given a yes or no answer.

Mr. D'ANNA. Well, look, let me answer it, too. You made your statement.

Mr. HALLEY. Pardon me. The way to do it is to first say "Yes" or "No," and then you may explain.

Mr. D'ANNA. Yes.

The CHAIRMAN. It is the truth?

Mr. D'ANNA. Yes. They came to me.

The CHAIRMAN. Then the statement made by Mr. Burling is correct?

Mr. D'ANNA. That's right.

The CHAIRMAN. What statement do you want to make any explanation of?

Mr. D'ANNA. Well, Senator, maybe that's one of my unfortunate positions for being so well known here, and the opportunity I had

of getting so well acquainted, that I am being called upon now and then: "Do you know about this?" and, "Do you know about that?" and, Senator, when I was asked by the immigration people about that, that is true, but when I cried, I said, "Look, it's not fair for our country to get infiltrated with people who are undesirable."

Mr. BURLING. No; that isn't right——

Mr. D'ANNA. I said, "because this country is so great and so valuable to we Americans," I said, "I can recall my dad over in Italy not owning a jackass, and in this country he died and left eight children. Every one of us got married but one. Every one of us have a family. Every one of us have done well for themselves. People over there are willing to give part of their body to come to this country."

Mr. BURLING. But you didn't help the Immigration Service. You refused; isn't that so?

Mr. D'ANNA. I said to the immigration——

Mr. BURLING. Is it or is it not so?

Mr. D'ANNA. There was nothing I could help them with.

Mr. BURLING. So you refused?

Mr. D'ANNA. There was nothing I could help them with.

Mr. BURLING. You refused to help?

Mr. D'ANNA. There was nothing I could help them with.

Mr. BURLING. Didn't you say you would not help them?

Mr. D'ANNA. I said there was nothing that I could help—I had no information that I could give them.

Mr. BURLING. And you wouldn't look out for information in the future and try to help? You said you would have nothing to do with it?

Mr. D'ANNA. I don't know just exactly if that is true.

The CHAIRMAN. Do you deny that you refused to help them?

Mr. D'ANNA. I think that I told them that I didn't care to get my nose into things because I have enough trouble taking care of my own business.

The CHAIRMAN. But you didn't help them.

Mr. D'ANNA. We paid taxes——

The CHAIRMAN. You did nothing to help them.

Mr. D'ANNA. There was nothing I could do. Senator, I don't know how these people come in here. I am not helping any of these people come in here. I said, "If they are coming in here, it is disgraceful because we have a fine country. We ought to keep it fine."

The CHAIRMAN. But the fact is that you didn't offer to help the immigration authorities?

Mr. D'ANNA. But Senator——

The CHAIRMAN. Is that true?

Mr. D'ANNA. But what could I do?

The CHAIRMAN. Is that true?

Mr. D'ANNA. I believe I said, "If there is any place I could help, I'll be glad to."

The CHAIRMAN. But you didn't do anything?

Mr. D'ANNA. What could I do? What is there I could do?

Mr. BURLING. That isn't what happened, is it? Isn't it the fact that you gave the Immigration Service just the same speech about how bad it is to have the country infiltrated, and then you wept, and then you said you wouldn't get yourself involved in it; you would

not have anything to do with it; isn't that what happened? Do you deny that? Answer under oath, yes or no.

Mr. D'ANNA. I don't know if I said that I wouldn't. I think this is what I said to these gentlemen—I think that I said to these gentlemen, "Look, I think that it is disgraceful that our country is allowing those kinds of people to come in our country. I am in business, and I have enough trouble taking care of my own business. Now, if it comes to a point where our country is in trouble, like with communism or the war that is taking place today, I am willing to give my life and die, because," I said, "I am 50 years old, and everything I've got, I owe to this country, and I am ready to die for it."

Mr. BURLING. But you are not ready to help the Immigration Service?

Mr. D'ANNA. Well, I said, in regard to the Immigration Service, I said, "Gentlemen, I believe you are on the right track. You are trying to stop the thing that may hurt our country, but I don't know where I can contribute to you in anything."

The CHAIRMAN. All right. Next question.

Mr. BURLING. Now changing the subject, Mr. D'Anna, you made several trips to Staten Island where your son-in-law was hospitalized, after having been wounded in the war; is that right?

Mr. D'ANNA. That's right. My daughter lived there. She moved there.

Mr. BURLING. I understand that. Now, while you were there, did you meet a Mr. Joseph Palma?

Mr. D'ANNA. Yes.

Mr. BURLING. And while you were there, did you meet Mr. Cirri?

Mr. D'ANNA. No, I met Mr. Palma at the Ford plant.

Mr. BURLING. I see. Did you ever meet him at Staten Island?

Mr. D'ANNA. Mr. Palma?

Mr. BURLING. Yes.

Mr. D'ANNA. Several times.

Mr. BURLING. Several times?

Mr. D'ANNA. Yes, several times.

Mr. BURLING. And did you meet the president of the Ford Haul-away Co. at Edgewater, N. J.?

Mr. D'ANNA. No, sir.

Mr. BURLING. You didn't?

Mr. D'ANNA. No, sir. This man, Mr. Cirri, that I met, I learned, not through him, that he had an interest—I always was of the opinion that he had an interest in that company over there, but to what extent, I don't know.

Mr. BURLING. You did know he was president?

Mr. D'ANNA. And I don't know how he got the interest. I don't know a thing about them.

Mr. BURLING. And I don't suppose you know that Joe Adonis had an interest in and was an officer of it?

Mr. D'ANNA. I don't remember of ever meeting Joe Adonis.

Mr. BURLING. Did you ever hear of Joe Adonis?

Mr. D'ANNA. In the papers, yes; lately.

Mr. BURLING. Until you read about him in the papers lately, you never heard of Joe Adonis?

Mr. D'ANNA. I don't remember ever hearing about him. If I met him, it's news to me.

Mr. BURLING. I have no further questions.

The CHAIRMAN. That is all.

Mr. HALLEY. I would like to ask one question.

The CHAIRMAN. Mr. Halley.

Mr. HALLEY. I would like to get back, for a minute, to this sugar business you had. I think you went into it about 1925 or 1926?

Mr. D'ANNA. I don't know the exact date.

Mr. HALLEY. Well, is that approximately right?

Mr. D'ANNA. Somewheres in there.

Mr. HALLEY. When did you give it up?

Mr. D'ANNA. I was in it about 3 years, I believe, or so.

Mr. HALLEY. How long were you in it; do you know?

Mr. D'ANNA. I think—I don't know whether it was 1924-27—somewheres in there, I don't know.

Mr. HALLEY. Why did you give it up?

Mr. D'ANNA. I just didn't want—I don't know why. I gave it up, that's all. It was 1926 or somewhere in there.

Mr. HALLEY. What did you do between the time you gave up your sugar business and the time you obtained your Ford agency? How did you make a living?

Mr. D'ANNA. Well, I just don't recall the exact—

Mr. HALLEY. I wish you would try to recall. Did you have a legitimate business between the time you gave up your sugar business and the time you got your Ford agency?

Mr. D'ANNA. I don't believe I had any business until I picked up the Ford agency.

Mr. HALLEY. On what funds did you live between the time you gave up your sugar business and the time you got your Ford agency?

Mr. D'ANNA. I just about lived.

Mr. HALLEY. Well, how did you get the money on which you, as you put it, just about lived?

Mr. D'ANNA. Well, I don't know. I can't answer those things, because I don't know. It's so long ago, I just don't know.

Mr. HALLEY. Did you have a job?

Mr. D'ANNA. No; I didn't have a job. One of my brothers worked.

Mr. HALLEY. You had no job?

Mr. D'ANNA. At the time, we did the best we could. We lived as comfortable, as cheap as we possibly could.

Mr. HALLEY. Well, you can't live cheap on nothing. How did you get your money? You didn't work for how many years?

Mr. D'ANNA. I didn't work for about a year and a half or two there, for a couple of years.

Mr. HALLEY. A couple of years?

Mr. D'ANNA. I imagine a couple of years.

Mr. HALLEY. Let's see. You went into the Ford agency when? That was 1931?

Mr. D'ANNA. Yes.

Mr. HALLEY. And you didn't work for how many years before that?

Mr. D'ANNA. Maybe a couple of years.

Mr. HALLEY. You had no occupation at all?

Mr. D'ANNA. I don't remember of having an occupation there for a year and a half or two. My brother worked. My younger brother worked. We managed to get along.

Mr. HALLEY. Did you sell liquor during that period?

Mr. D'ANNA. No, sir.

Mr. HALLEY. Did you sell sugar during that period?

Mr. D'ANNA. Yes, I was selling—I was selling sugar.

Mr. HALLEY. When did you give up the sugar business?

Mr. D'ANNA. It must have been around 1928, 1927, 1929; somewhere around there.

Mr. HALLEY. Was it before or after the depression that you gave up your sugar business? Do you remember the stock-market crash?

Mr. D'ANNA. It was before.

Mr. HALLEY. Before the crash?

Mr. D'ANNA. I think it was around 1929.

Mr. HALLEY. Before the crash?

Mr. D'ANNA. Yes.

Mr. HALLEY. Were you fairly prosperous when you gave up the sugar business?

Mr. D'ANNA. Well, no. I had a little money there, but I don't recall just exactly what I had.

Mr. HALLEY. Why did you give it up?

Mr. D'ANNA. Well, I don't know. I just don't know why I gave it up. I gave it up because it wasn't a good business, and I tried to get in—I tried to get into the fruit business. I tried to get into—that's why I looked around, and then I thought that maybe that the Ford business would be a starting point to carry on a legitimate business.

Mr. HALLEY. What do you mean by "legitimate business"? Had you had an illegitimate business?

Mr. D'ANNA. Everybody thought that the sugar business was bad and, after all, I thought that the Ford business was a very fine business, and I valued the respect of the Ford Motor Co. equally to my own.

Mr. HALLEY. There is no doubt that the Ford business is a very fine business. What were your qualifications for getting into it?

Mr. D'ANNA. What is the qualification of anybody to get into any business?

Mr. HALLEY. Did you have any specific qualifications?

Mr. D'ANNA. No, but I was willing to apply myself to that business, and I did.

Mr. HALLEY. Thank you.

The CHAIRMAN. All right. There are no further questions.  
(Witness excused.)

The CHAIRMAN. William Pardo.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PARDO. I do.

#### TESTIMONY OF A. WILLIAM PARDO, WYANDOTTE, MICH.

The CHAIRMAN. Your full name, please?

Mr. PARDO. A. William Pardo.

The CHAIRMAN. Mr. Pardo, your address, please?

Mr. PARDO. 2846 Van Alstyne Boulevard, Wyandotte.

The CHAIRMAN. And how long have you resided there, sir?

Mr. PARDO. All my life.

The CHAIRMAN. Would you be good enough to keep your voice up during the time you are on the stand and answer as clearly as you can so all may hear you?

Mr. PARDO. Yes.

The CHAIRMAN. Thank you, Mr. Pardo.

Counsel, will you proceed.

Mr. BURLING. You are now retired?

Mr. PARDO. That's right.

Mr. BURLING. Going way back, you built a garage in Wyandotte in 1911; is that correct?

Mr. PARDO. That is correct.

Mr. BURLING. In 1913 you got the Ford agency?

Mr. PARDO. Yes, sir.

Mr. BURLING. And along about 1931 you gave it up; is that right; or it was canceled on you?

Mr. PARDO. That's right.

Mr. BURLING. The Ford Motor Co. canceled your agency?

Mr. PARDO. Yes.

Mr. BURLING. And then there wasn't any agency for a while; is that right?

Mr. PARDO. Yes. About 6 months—no; there was another party took over, Eastman.

Mr. BURLING. Did he ever get started?

Mr. PARDO. Yes. They ran about 6 months.

Mr. BURLING. Did you see Mr. Anthony D'Anna in Florida in 1931?

Mr. PARDO. Yes.

Mr. BURLING. What did he tell you?

Mr. PARDO. That he could get the Ford agency and wanted to know if I would go in with him so they could get my building. I would not rent it to Eastman, and so on.

Mr. BURLING. Eastman did not have a building, did he?

Mr. PARDO. No; he went in with somebody else.

Mr. BURLING. You knew D'Anna at that time from having lived in Wyandotte? You knew his reputation as that of a bootlegger.

Mr. PARDO. That was my supposition.

Mr. BURLING. His reputation was that, was it not?

Mr. PARDO. Yes.

Mr. BURLING. Did Mr. Bennett say anything to you?

Mr. PARDO. I never met Mr. Bennett and never seen him.

Mr. BURLING. Did D'Anna say anything to you about Mr. Bennett?

Mr. PARDO. No, sir.

Mr. BURLING. At any rate, what arrangements did you make and what did you say to Mr. D'Anna when he said he could get the agency?

Mr. PARDO. I said, "I will see you when I come back in about a few weeks."

Mr. BURLING. When you got back, what did you say?

Mr. PARDO. He saw me, and I said, "Yes; I will go in with you, providing we have a manager."

Mr. BURLING. Did you name the manager?

Mr. PARDO. I picked him. I felt he could get along with the Ford fellows.



Mr. BURLING. The Ford fellows?

Mr. PARDO. Yes.

Mr. BURLING. You knew, of course——

Mr. PARDO. Because I had my troubles with them.

Mr. BURLING. You knew, of course, that D'Anna had no experience running an automobile agency.

Mr. PARDO. Yes.

Mr. BURLING. The reason for taking him in was that he could get the agency and you had been canceled out?

Mr. PARDO. That is right.

Mr. BURLING. After you started the agency, the manager ran the place: is that right; at first?

Mr. PARDO. Well, yes.

Mr. BURLING. Then what—what was his name, by the way?

Mr. PARDO. Creed.

Mr. BURLING. After a while you came back and ran it yourself?

Mr. PARDO. The last year.

Mr. BURLING. Will you describe the duties which D'Anna had in the Pardo Auto Sales Co.?

Mr. PARDO. What?

Mr. BURLING. What did he do?

Mr. PARDO. Just to sell cars.

Mr. BURLING. Did he come in and stand on the floor and sell cars to the customers?

Mr. PARDO. He brought them in. He brought the orders in.

Mr. BURLING. Well, now, didn't you tell me in my office that he only came in every now and then when he had a friend to sell a car to?

Mr. PARDO. I believe I did.

Mr. BURLING. That is correct; is it not?

Mr. PARDO. Yes.

Mr. BURLING. In other words, he did not do much around there.

Mr. PARDO. Well, there were times when he came there to the office.

Mr. BURLING. Has he talked to you recently?

Mr. PARDO. No, sir. I have not seen him since I saw you.

Mr. BURLING. You have not seen anybody representing him?

Mr. PARDO. No, sir.

Mr. BURLING. You do remember telling me in my office that he did not do much at all except occasionally come in?

Mr. PARDO. At first; yes.

Mr. BURLING. Then in 1939 Pardo was dissolved; is that right?

Mr. PARDO. Yes.

Mr. BURLING. How did that come about?

Mr. PARDO. It was canceled out by Harry May, a Bennett man.

Mr. BURLING. A Bennett man?

Mr. PARDO. Yes.

Mr. BURLING. I have no further questions, Mr. Chairman.

The CHAIRMAN. That is all. The witness is excused.

(Witness excused.)

The CHAIRMAN. Walter Hancock.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HANCOCK. I do.

**TESTIMONY OF WALTER F. HANCOCK, LINCOLN PARK, MICH.**

The CHAIRMAN. What is your full name, please?

Mr. HANCOCK. Walter F. Hancock.

The CHAIRMAN. Where do you live?

Mr. HANCOCK. Lincoln Park.

The CHAIRMAN. How long have you lived there?

Mr. HANCOCK. Twelve years.

The CHAIRMAN. What is your occupation?

Mr. HANCOCK. I am with Great Lakes Steel.

The CHAIRMAN. Were you formerly connected with the River Rouge police?

Mr. HANCOCK. Yes.

The CHAIRMAN. In what capacity?

Mr. HANCOCK. Chief of police.

The CHAIRMAN. During what period?

Mr. HANCOCK. I don't remember the exact years. I was a motorcycle officer first and then a lieutenant and then a chief.

The CHAIRMAN. You do not know the date when you became chief?

Mr. HANCOCK. In 1926, I believe.

The CHAIRMAN. And it continued until when?

Mr. HANCOCK. I think the year 1934.

Mr. BURLING. I want to go way back in your memory before World War I, Chief. Is it the fact that your mother-in-law happened to live in Wyandotte next door to Sam Giannola's place?

Mr. HANCOCK. It was Tony Giannola.

Mr. BURLING. Did he get murdered, too?

Mr. HANCOCK. I believe; yes.

Mr. BURLING. At any rate, back before the first war, you saw Tony D'Anna in and around the place from time to time; is that right?

Mr. HANCOCK. Not too often. Occasionally; yes.

Mr. BURLING. You knew him from Wyandotte, in other words?

Mr. HANCOCK. That is right.

Mr. BURLING. It would be true, therefore, that you have known D'Anna, not recently, but you knew him since he was more or less a kid.

Mr. HANCOCK. That is right.

Mr. BURLING. Is it true—I am not asking you what you knew or whether you could make a police case—but you picked up a good deal of information about the reputations in the down-river area. Is it true that everybody in the down-river area knew that Tony D'Anna and his partner Joe Massei were big bootleggers in Wyandotte, or am I exaggerating?

Mr. HANCOCK. I would say that is an exaggeration.

Mr. BURLING. They were known as bootleggers?

Mr. HANCOCK. That is right.

Mr. BURLING. They were known as partners in the bootlegging business.

Mr. HANCOCK. I believe so.

Mr. BURLING. They had some followers, but you do not know who they were; is that right?

Mr. HANCOCK. No, sir. I knew nothing of their work.

Mr. BURLING. You cannot identify the followers?

Mr. HANCOCK. No, sir.

Mr. BURLING. You heard that they had followers?

Mr. HANCOCK. Well, I couldn't say.

Mr. BURLING. Do you recall the name Chester Lamarr, and that he was murdered?

Mr. HANCOCK. I do.

Mr. BURLING. Isn't it correct that either right after, or perhaps before it, Tony D'Anna asked you if you would ask Harry Bennett if he could have the Wyandotte Ford agency?

Mr. HANCOCK. Yes.

Mr. BURLING. Did you do anything about it at that time?

Mr. HANCOCK. No, sir; I did not.

Mr. BURLING. You did not call Bennett or write him a letter or go to see him?

Mr. HANCOCK. I did not.

Mr. BURLING. Did Bennett communicate with you thereafter about D'Anna?

Mr. HANCOCK. Yes; he did.

Mr. BURLING. Will you tell us what he said?

Mr. HANCOCK. He called the office. Mr. Bennett called the office in the police station and asked me if I knew Mr. D'Anna. I said that I did. He said, "If you can get in touch with him, I would like to see him."

The CHAIRMAN. Mr. Bennett asked you that?

Mr. HANCOCK. That is right.

Mr. BURLING. And you told him that you would take a shot at it?

Mr. HANCOCK. That I would try; yes.

Mr. BURLING. Then did you phone D'Anna or go to see him, or what?

Mr. HANCOCK. I went to his house.

Mr. BURLING. Did you find him there?

Mr. HANCOCK. No, sir; I talked to his wife.

Mr. BURLING. What message did you leave?

Mr. HANCOCK. I asked her to have Mr. D'Anna call me.

Mr. BURLING. Did he?

Mr. HANCOCK. He did.

Mr. BURLING. What did you say to him?

Mr. HANCOCK. I asked him and told him Mr. Bennett wanted to see him, and when we could go over to see him that I would take him over.

Mr. BURLING. By the way, how much time elapsed between the time Tony first spoke to you and the time that Bennett sent for D'Anna?

Mr. HANCOCK. That would be several weeks. I would say at least a month.

Mr. BURLING. At least a month?

Mr. HANCOCK. Yes.

Mr. BURLING. What did Bennett say to you when you were talking to him about where he would see Tony? Perhaps I could refresh your recollection. Did he say to you that he would meet D'Anna any place D'Anna wanted?

Mr. HANCOCK. That's right.

Mr. BURLING. Was it not a bit unusual for a man of Mr. Bennett's position to offer to meet a bootlegger any place the bootlegger wanted to? Didn't it strike you that way?

Mr. HANCOCK. Well, of course, I didn't know anything what they wanted. It didn't concern me. He asked me to get ahold of him.

The CHAIRMAN. Did Mr. Bennett offer any explanation why he wanted to get in touch with him?

Mr. HANCOCK. No.

Mr. BURLING. At any rate, D'Anna called you and you told him Bennett wanted to see him.

Mr. HANCOCK. That's right.

Mr. BURLING. Then he said that he would meet Bennett at his office; is that right?

Mr. HANCOCK. That's right.

Mr. BURLING. And either that day or the next day he, D'Anna, came to your office in the police station in River Rouge; is that right?

Mr. HANCOCK. That's right.

Mr. BURLING. You drove him in your car over to the Rouge plant and up to Bennett's office?

Mr. HANCOCK. That's right.

Mr. BURLING. In the car you had a conversation with him; is that correct?

Mr. HANCOCK. It would be just a current conversation, something about the business and why Mr. Bennett wished to see him.

Mr. BURLING. Did he not say this to you, in effect, "Chester and Joe"—meaning Chester Lamarr and Joe Tocco—"have never let us fellows into anywhere near Ford or anywhere near Mr. Bennett, but now that Chester is dead things may be different"?

Mr. HANCOCK. No; it wasn't said that way.

Mr. BURLING. Tell us how it was said.

Mr. HANCOCK. He said Chester and Joe would never let us meet with Mr. Bennett.

Mr. BURLING. You knew, of course, that Chester and Joe had concessions in the plants, did you not?

Mr. HANCOCK. Nothing that I knew myself.

Mr. BURLING. You had heard it?

Mr. HANCOCK. I heard it; yes.

Mr. BURLING. You understood that that was what was on D'Anna's mind, did you not? Wasn't that what you were talking about?

Mr. HANCOCK. No. I thought at that time his interest was in the agency. I didn't have nothing else in mind.

Mr. BURLING. But he did say something about Chester being dead, did he not?

Mr. HANCOCK. No, sir.

Mr. BURLING. Then you took Tony to Mr. Bennett's office, is that not correct?

Mr. HANCOCK. That's right.

Mr. BURLING. That was in the basement.

Mr. HANCOCK. Yes, of the administration building.

Mr. BURLING. There was a man outside the door?

Mr. HANCOCK. There was a clerk sitting at the desk.

Mr. BURLING. It was your practice in going to see Mr. Bennett to ask the clerk if he was alone and if he said he was you walked right in, is that not right?

Mr. HANCOCK. Yes. If there was no one in there.

Mr. BURLING. That is what you did this time, is that correct?

Mr. HANCOCK. That is right.

Mr. BURLING. You walked in and there was Bennett alone.

Mr. HANCOCK. That's right.

Mr. BURLING. He was at his desk and you could see that picture.

Mr. HANCOCK. Yes.

Mr. BURLING. What did you say and what did he say and what did D'Anna say?

Mr. HANCOCK. He said—I said, "Mr. Bennett, this is Mr. D'Anna. Mr. D'Anna, this is Mr. Bennett."

Mr. BURLING. What did Bennett say to you?

Mr. HANCOCK. To me?

Mr. BURLING. What did he say in your presence?

Mr. HANCOCK. Well, it was not only more than the time of the day and how you are and casual greetings.

Mr. BURLING. In your presence, what did he say to D'Anna?

Mr. HANCOCK. "What can I do for you?"

Mr. BURLING. "What can I do for you?"

Mr. HANCOCK. That is right.

Mr. BURLING. Even though he had sent for D'Anna?

Mr. HANCOCK. Yes, sir.

Mr. BURLING. He starts the conversation, "What can I do for you?"

Mr. HANCOCK. Yes, sir.

Mr. BURLING. Was he standing or seated?

Mr. HANCOCK. Mr. Bennett was standing at that time. They were both standing.

Mr. BURLING. Did he tell Mr. D'Anna to take his seat?

Mr. HANCOCK. Have a chair, that is right.

Mr. BURLING. Did he sit down?

Mr. HANCOCK. Mr. Bennett?

Mr. BURLING. Yes.

Mr. HANCOCK. Yes.

Mr. BURLING. Then what happened?

Mr. HANCOCK. Well, I asked him then if there is anything further for me. He said "No." and I went out.

The CHAIRMAN. You left the two of them alone?

Mr. HANCOCK. Yes, sir.

Mr. BURLING. Have you ever told anyone that what actually happened was that Bennett said, "I understand that you are planning to knock off Joe Tocco, and I don't want him knocked off because he is my man," and D'Anna said, "Yes, we are going to." And then there was a discussion which ensued and then finally a deal was made and D'Anna agreed to let Joe Tocco live and Bennett agreed to see that D'Anna had a part of the agency? Did you ever say that to anyone?

Mr. HANCOCK. Not that I know of, Mr. Burling. I don't know what the occasion would be that I would say it.

Mr. BURLING. Are you sure it did not happen?

Mr. HANCOCK. It did not happen while I was there.

Mr. BURLING. As far as you recall, you did not tell anyone that?

Mr. HANCOCK. I don't know what the occasion would be if I should.

The CHAIRMAN. Had you heard that rumor discussed at all as having happened at any time or at any place?

Mr. HANCOCK. No, sir.

Mr. BURLING. I have no further questions.

Mr. HAILEY. I have nothing else.

The CHAIRMAN. That is all.

(Witness excused.)

The CHAIRMAN. I now call Pete Licavoli.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LICAVOLI. I do.

### TESTIMONY OF PETER LICAVOLI, DETROIT, MICH.

The CHAIRMAN. What is your full name?

Mr. LICAVOLI. Peter Licavoli.

The CHAIRMAN. Peter Licavoli?

Mr. LICAVOLI. That is right.

The CHAIRMAN. What is your address?

Mr. LICAVOLI. 1154 Balfour.

The CHAIRMAN. 1154 Balfour?

Mr. LICAVOLI. Yes.

The CHAIRMAN. How long have you live there?

Mr. LICAVOLI. Oh, about 10 years.

The CHAIRMAN. Where did you live before that?

Mr. LICAVOLI. St. Louis.

The CHAIRMAN. How long did you live in St. Louis?

Mr. LICAVOLI. All my life.

The CHAIRMAN. You were born there?

Mr. LICAVOLI. Yes, sir.

The CHAIRMAN. In what business are you engaged?

Mr. LICAVOLI. I refuse to answer that question on the ground that it might tend to incriminate me in both State and Federal laws.

Mr. BURLING. Mr. Licavoli, you were advised by counsel for the committee that the privilege as to self-incrimination does not apply to State offenses, and you may refuse to testify only if the testimony would have a tendency to incriminate you of a Federal offense. Do you understand that?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. Have you been consulting with counsel?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. Now, furthermore, you understand that you may claim the privilege and you may refuse to answer on that ground only if in fact the answer if given would tend to incriminate you; that is to say that if you told the truth you would be admitting the crime. Do you understand that?

Mr. LICAVOLI. Yes.

Mr. BURLING. So that, in effect, you are saying you refuse to answer the question as to what your occupation is on the ground that it is a criminal occupation; do you understand that?

Mr. LICAVOLI. I don't get that clear, sir.

Mr. BURLING. Perhaps I have gone a little too fast for you. If I ask you, is it raining, you cannot refuse to answer on the ground that it would tend to incriminate you because it would not.

Mr. LICAVOLI. No, sir.

Mr. BURLING. You can only claim the privilege legally if in fact the answer if given would tend to incriminate you. Do you understand that?

Mr. LICAVOLI. Yes.

Mr. BURLING. That means that if you are rightfully claiming your privilege the answer to the question would tend to incriminate you?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. In other words, if you tell us what your occupation is it would tend to incriminate you; is that right?

Mr. LICAVOLI. I refuse to answer that on the ground that it might tend to incriminate me.

Mr. BURLING. You refuse to answer whether or not you understand me on the ground that it would tend to incriminate you?

Mr. LICAVOLI. Yes.

The CHAIRMAN. At this juncture we will recess for lunch, until 1:45, and you will return to the stand at that time.

(Whereupon, a recess was taken at 12:45 p. m., to reconvene at 1:45 p. m.)

#### AFTERNOON SESSION

The CHAIRMAN. The hearing will be resumed.

We will call Mr. Pete Licavoli to the stand again.

#### FURTHER TESTIMONY OF PETE LICAVOLI

The CHAIRMAN. At the time we recessed for lunch, certain questions were being asked you, and I will now ask counsel to continue.

Mr. BURLING. Mr. Licavoli, do you have a criminal record?

Mr. LICAVOLI. I refuse to answer, on the ground that it may tend to incriminate me.

Mr. BURLING. Let me see if we can get this straight. Do you refuse to answer whether you have been previously arrested, on the ground that it might incriminate you?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. Do you care to explain the ground? How could the fact that you had previously been arrested tend to incriminate you?

Mr. LICAVOLI. I don't know how, but I refuse to answer the question.

Mr. BURLING. You decline to give the committee any explanation as to why it would tend to incriminate you?

Mr. LICAVOLI. That is right.

Mr. BURLING. Mr. Chairman, I respectfully ask that the witness be ordered to answer the questions.

The CHAIRMAN. Yes. The chairman of the subcommittee orders you to answer that question.

Mr. LICAVOLI. It orders me to answer it? I refuse to answer any questions that tend to incriminate me, in violation of the State and Federal laws.

The CHAIRMAN. Next question.

Mr. BURLING. Were you arrested in 1922 for robbery?

Mr. LICAVOLI. I refuse to answer the question, on the ground that it may tend to incriminate me, under both Federal and State laws.

Mr. BURLING. How could it possibly tend to incriminate you, Mr. Licavoli, as to whether or not you were arrested for robbery in 1922? The statute of limitations is over long ago.

Mr. LICAVOLI. I refuse to answer that question, sir.

Mr. BURLING. On what ground?

Mr. LICAVOLI. It may tend to incriminate me under both State and Federal laws.

Mr. BURLING. Even to explain it? Would that tend to incriminate you? Is that your position?

Mr. LICAVOLI. Pardon?

Mr. BURLING. Just explain to the committee how it could possibly tend to incriminate you to answer whether you had been arrested for robbery in 1922.

Mr. LICAVOLI. Well, I refuse to answer that, sir. It might incriminate me both under the State and Federal laws.

Mr. BURLING. I think the question as to whether he was arrested is proper, and I respectfully ask that the witness be ordered to answer.

The CHAIRMAN. The committee orders you to answer it.

Mr. LICAVOLI. I refuse to answer, sir.

Mr. BURLING. Mr. Licavoli, will you look at this photograph which I am handing you, and tell me whether you have any idea of who that person is?

Mr. LICAVOLI. I refuse to answer that, sir.

Mr. BURLING. Mr. Licavoli, this is a police photograph, Detroit Police Department, No. 30787, dated June 1, 1950. It looks to me remarkably like the witness, and I ask that this and the attached police records be marked in evidence.

The CHAIRMAN. It will be so marked.

(The document identified was thereupon received in evidence as exhibit No. 4, and appears in the appendix on p. 266.)

The CHAIRMAN. While it is before you, you can avail yourself of its contents and propound any questions.

Mr. BURLING. I am going to read what purports to be your police record, and ask that you listen attentively, and if there is any arrest on here which you think does not relate to you, please let us know.

Mr. LICAVOLI. I don't think that is fair, sir. I am not on trial here.

Mr. BURLING. Would you prefer that we do it case by case?

Mr. LICAVOLI. I don't prefer. I refuse to answer all questions concerning me because it may tend to incriminate me—

Mr. BURLING. It may not, sir.

Mr. LICAVOLI. In violation of State and Federal laws. I don't think that it is fair that you should read my record.

Mr. BURLING. All right. Police department, St. Louis, 9-5-22, robbery, discharged.

Same police department, 1-19-26, robbery, discharged.

Detroit, 9-8-27, armed robbery, discharged.

3-20-27, violation of Volstead Act, St. Louis, discharged by court.

Police department, Detroit, 10-26-27, kidnaping.

Do you remember that?

(No response.)

Mr. BURLING. I said, Do you remember that?

Mr. LICAVOLI. I refuse to answer, sir.

Mr. BURLING. I see. It might tend to incriminate you?

Mr. LICAVOLI. Yes.

Mr. BURLING. In other words, you might be incriminated of the crime of kidnaping if you answer?

Mr. LICAVOLI. I refuse to answer that, sir.



Mr. BURLING. You can't refuse to answer. The inference is unmistakable; if you refuse to answer on the charge of kidnaping in 1927, if you were guilty as charged.

Mr. LICAVOLI. Well, the record answers for itself, sir. Everything is on there. You've got the record, and it reads for itself, whatever it is. Why should I incriminate myself if I answer that question?

Mr. BURLING. Because you have no right under the Constitution to refuse to answer that you were not guilty of kidnaping.

Mr. LICAVOLI. I have my constitutional—It is within my constitutional rights to refuse to answer, sir.

Mr. BURLING. Very well. The police department, Detroit, 1-8-28, violation of prohibition, discharged.

3-21-28, c. c. w.; fined \$200 and 90 days in the Detroit House of Correction.

7-19-28, murder. Did you commit the murder?

Mr. LICAVOLI. I refuse to answer.

Mr. BURLING. You think it might tend to incriminate you?

Mr. LICAVOLI. It might tend to incriminate me.

Mr. BURLING. If you testified about this murder charge? The inference again is quite clear.

7-21-28, armed robbery, discharged.

4-29-29, kidnaping, discharged.

How about that? Do you have anything to say about that?

Mr. LICAVOLI. I refuse to answer on the ground that it might tend to incriminate me.

Mr. BURLING. You don't deny it?

Mr. LICAVOLI. I refuse to answer.

Mr. BURLING. Then, 5-12-29, investigation, disorderly person, discharged.

9-26-29, investigation, discharged. These are all Detroit.

1-6-30, investigation, discharged.

Toledo, 10-2-31, fugitive, turned over to Detroit police. Then received in Detroit at 10-5-31 on the charge of murder. You were found not guilty. Now, since you were found not guilty, you can't be incriminated with that. Will you tell us about that?

Mr. LICAVOLI. I refuse to answer on the ground it may tend to incriminate me in violation of State and Federal laws.

Mr. BURLING. Mr. Licavoli, once a jury has found you not guilty of murder, you cannot be tried again for it. Therefore it would be impossible for you to be incriminated. Will you explain to us why you refuse to tell us about this murder charge?

Mr. LICAVOLI. That is past, 20 years or 25 years ago. Why should I talk about something that is already over with 25 years ago?

Mr. BURLING. Because you are being questioned.

Mr. LICAVOLI. I refuse to answer any questions in regard to any past histories.

Mr. BURLING. Will you please tell us all that you know about your arrest in Toledo and your being charged with murder and the acquittal of murder in 1931?

Mr. LICAVOLI. I refuse to answer on the ground it may tend to incriminate me in violation of the Federal and State laws.

Mr. BURLING. It seems to me that is a clearly proper question.

The CHAIRMAN. Just continue with the rest of the record so you can ask one general question.

Mr. BURLING. 12-3-31, conspiracy to violate the national prohibition law, no disposition given; 5-2-33, murder, discharged by the court; 4-22-35, investigating shooting, discharged on writ; 6-10-35, investigation, disorderly person and armed robbery, discharged; 8-12-35, attempted extortion, discharged by the court; 11-11-35, a. and b., \$100 or 90 days Detroit House of Correction; 1-23-41, conspiracy, found not guilty; 10-10-41, investigation r. a., discharged; 12-30-42, reckless driving, discharged; 8-27-46, investigation, discharged; 6-1-50, investigation, no disposition given. I believe, as to any matters prior to the running of the statute of limitations, Mr. Chairman, it is clear that the witness has no privilege.

The CHAIRMAN. Now, Mr. Licavoli, with reference to those questions which have been asked of you by counsel, the committee directs you to answer. What response do you make?

Mr. LICAVOLI. I refuse to answer on the grounds it may tend to incriminate me in violation of both State and Federal laws.

Mr. BURLING. I ask that this brochure be marked, and I offer it in evidence.

(The document identified was thereupon received in evidence and is included in exhibit No. 5, which appears in the appendix facing p. 267.)

Mr. BURLING. Mr. Chairman, I have a brochure describing what is called a "beautiful Grace ranch nestled in the scenic Catalina foothills, 12 miles northeast of Tucson." Mr. Licavoli, will you look at this brochure and tell me what ranch is referred to?

Mr. LICAVOLI. That is mine.

Mr. BURLING. That is yours?

Mr. LICAVOLI. Yes; it is.

Mr. BURLING. Known as the Grace ranch?

The CHAIRMAN. Would you like to see if this properly describes it?

Mr. LICAVOLI. I know the brochure.

Mr. BURLING. Mr. Chairman, I will read some parts of this into the record. It reads:

Beautiful Grace ranch, comprising of main house, 11 private guest rooms, 2 large sun decks, large dining room and lounge. Fully equipped restaurant-sized kitchen, storeroom, modernly equipped laundry and linen room. Help's quarters. Three large dirt reservoirs, five wells, new aluminum 20 by 50 hay barn, fully equipped workshop, corrals, stables, tack room, one-fourth mile fenced-in exercise track. Plenty of well-irrigated land for pasture.

As the record will show, there are various photographs showing guest rooms, dining rooms at the main house of the patio; and I will ask, How much did you pay for this?

Mr. LICAVOLI. It is for sale; you forgot that.

Mr. BURLING. Did you have this printed, Mr. Licavoli?

Mr. LICAVOLI. Yes.

The CHAIRMAN. What is it being offered for sale for; that is, for what amount?

Mr. LICAVOLI. Well, it is—I refuse to answer on the ground it may incriminate me.

Mr. BURLING. The question is a proper question.

The CHAIRMAN. The chairman directs you to answer. Do you still refuse?

Mr. LICAVOLI. Yes; I refuse.

Mr. HALLEY. Mr. Chairman, may the record show even the witness laughed at his own answer. Do you take that answer seriously, Mr. Licavoli, that you refuse to answer on the ground it might incriminate you?

Mr. LICAVOLI. Yes; I do.

The CHAIRMAN. All right.

Mr. BURLING. Do you care to give the committee any explanation as to how the asking price for the piece of real estate could possibly incriminate you?

Mr. LICAVOLI. I don't know. I refuse to answer that question on the same grounds.

The CHAIRMAN. What is the next question?

Mr. BURLING. How much did you pay for the ranch?

Mr. LICAVOLI. \$21,000.

Mr. BURLING. \$21,000 for this ranch?

Mr. LICAVOLI. Yes.

Mr. BURLING. Did you add anything to it?

Mr. LICAVOLI. Yes.

Mr. BURLING. How much capital have you put into it?

Mr. LICAVOLI. Oh, \$20,000 or \$25,000.

Mr. BURLING. So your total investment in this ranch which has 75 acres with 11 private guest rooms is in the neighborhood of \$45,000 or \$50,000?

Mr. LICAVOLI. Approximately. I worked on that myself.

Mr. BURLING. Mr. Chairman, I have in my hand a photograph of a house which I would like to show the witness and then have marked. Will you examine that house and see if you know the house; that is, examine the photograph?

Mr. LICAVOLI. That is my house.

Mr. BURLING. Your house in Grosse Pointe?

Mr. LICAVOLI. Yes.

Mr. BURLING. How much did you pay for that?

Mr. LICAVOLI. Around \$20,000.

Mr. BURLING. Did you pay around \$20,000 for that house?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. When?

Mr. LICAVOLI. Oh, 10 years ago, 11 years ago.

Mr. BURLING. Mr. Chairman, I ask that that be received in evidence.

The CHAIRMAN. It will be placed in the record and so marked by the reporter.

(The photograph identified was thereupon received in evidence as exhibit No. 5, and appears in the appendix on p. 267.)

Mr. BURLING. You have a brother "Yonnie"? Will you spell the name, please?

Mr. LICAVOLI. Yes, sir. T-h-o-m-a-s, Thomas.

Mr. BURLING. How is he commonly known?

Mr. LICAVOLI. Well, the nickname is "Yonnie." His name is Thomas Licavoli?

Mr. BURLING. Where is he now?

Mr. LICAVOLI. He is in the Ohio Penitentiary.

Mr. BURLING. How long has he been there?

Mr. LICAVOLI. About 17 years.

Mr. BURLING. He is in for life?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. On what charge?

Mr. LICAVOLI. Murder—conspiracy.

Mr. BURLING. Conspiracy to murder?

Mr. LICAVOLI. Yes. The same sentence here is 5 years—it calls for 5 years—and in Ohio it is life.

Mr. BURLING. Now, you have a telephone, I believe, at the Grace ranch?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. The telephone records show you made in 1949 and 1950 various phone calls. I am going to ask you to identify the people that you called from there. Did you call a Mr. Connel at Twinbrook 35100, Detroit, and who is he?

Mr. LICAVOLI. I refuse to answer on the grounds it may tend to incriminate me.

Mr. BURLING. Are you asserting your associations with Mr. Connel would incriminate you?

Mr. LICAVOLI. I refuse to answer on the grounds it may tend to incriminate me.

Mr. BURLING. Michael Polizzi, Valley 25146, Detroit; who is Michael Polizzi?

Mr. LICAVOLI. I refuse to answer on the grounds it may tend to incriminate me.

Mr. BURLING. Grace Bommarito, Lorraine 81365, Detroit; who is she?

Mr. LICAVOLI. Grace Bommarito?

Mr. BURLING. Do you know anyone named Grace Bommarito?

Mr. LICAVOLI. My mother-in-law.

Mr. BURLING. That does not incriminate you.

Mr. LICAVOLI. No, sir.

Mr. BURLING. How about Joseph Bommarito, Tuxedo 5-0908?

Mr. LICAVOLI. That is my brother-in-law.

Mr. BURLING. Sam Perrone, Valley 24950. Who is he?

Mr. LICAVOLI. Next-door neighbor.

Mr. BURLING. An old friend?

Mr. LICAVOLI. No, sir.

Mr. BURLING. A close friend?

Mr. LICAVOLI. No, sir; an acquaintance.

Mr. BURLING. How long have you known Sam Perrone?

Mr. LICAVOLI. Since he moved.

Mr. BURLING. When did he move there?

Mr. LICAVOLI. I don't know; I don't remember.

Mr. BURLING. Well, approximately.

Mr. LICAVOLI. A couple of years.

Mr. BURLING. You have been in his house?

Mr. LICAVOLI. Yes.

Mr. BURLING. He has been in yours?

Mr. LICAVOLI. Yes.

Mr. BURLING. Donald J. Licavoli, Tuxedo 5-0140.

Mr. LICAVOLI. My brother.

Mr. BURLING. Sam Zerilli, Lorraine 77597. Who is he?

Mr. LICAVOLI. Lorraine?

Mr. BURLING. Sam Zerilli.

Mr. LICAVOLI. My brother-in-law.

Mr. BURLING. How is he related to you?

Mr. LICAVOLI. My wife and his wife are sisters.

Mr. BURLING. Thomas Licavoli, Walnut 14651. Who is he?

Mr. LICAVOLI. My brother. It is my sister-in-law, Mrs. Thomas Licavoli.

Mr. BURLING. Martin Fenster in Los Angeles, Tucker 9369. Who is he?

Mr. LICAVOLI. A friend of mine.

Mr. BURLING. Morris alias Mushy Wexler, Cherry 19720, Cleveland. Who is he?

Mr. LICAVOLI. I know him; a friend of mine.

Mr. BURLING. What does he do for a living?

Mr. LICAVOLI. He has a cafe in Cleveland.

Mr. BURLING. Do you have any other people that you know of?

Mr. LICAVOLI. Not that I know of.

Mr. BURLING. He never told you he had any other business except running a cafe?

Mr. LICAVOLI. (No response.)

Mr. BURLING. In the Desert Inn in Las Vegas, Nev., did you have any business connections—

Mr. LICAVOLI. No, sir.

Mr. BURLING. Have you ever been there?

Mr. LICAVOLI. Yes; a few days ago.

Mr. BURLING. Then we have Moe Dalitz. Have you ever heard of him? Las Vegas 6000. Incidentally, that is the number of the Desert Inn.

Mr. LICAVOLI. I know of him; yes.

Mr. BURLING. You telephoned to him; did you not?

Mr. LICAVOLI. No.

Mr. BURLING. You deny having put through a call to Moe Dalitz?

Mr. LICAVOLI. Yes.

Mr. BURLING. Then we have Dominick Licavoli, at Newstedt 5386, at St. Louis.

Mr. LICAVOLI. He is my uncle.

Mr. BURLING. Frank Valenti, at Monroe 7186, in Rochester.

Mr. LICAVOLI. I don't remember that.

Mr. BURLING. Then we have Pete Mannelli, at Youngstown 7-2144. Do you know him?

Mr. LICAVOLI. I don't know him.

Mr. BURLING. You called him, but you don't know him?

Mr. LICAVOLI. I didn't call him. I don't remember.

Mr. BURLING. How about Joe DeCarlo, at Youngstown 4-2245?

Mr. LICAVOLI. Yes; I knew him.

Mr. BURLING. What does Joe DeCarlo do?

Mr. LICAVOLI. I don't know.

Mr. BURLING. Next we have Mike D'Angelo, at Walnut 2275, in Colorado Springs, Colo.

Mr. LICAVOLI. Colorado Springs, Colo.?

Mr. BURLING. Yes; Mike D'Angelo.

Mr. LICAVOLI. I know a Mike D'Angelo, but he is not from Colorado.

Mr. BURLING. Who is he?

Mr. LICAVOLI. A friend of mine.

Mr. BURLING. What does he do for a living?

Mr. LICAVOLI. I don't know.

Mr. BURLING. James Brink, Dixie 7304, at Erlanger, Ky. Do you know him?

Mr. LICAVOLI. Yes.

Mr. BURLING. What does he do for a living?

Mr. LICAVOLI. He runs the Lookout House.

Mr. BURLING. Is it a gambling casino?

Mr. LICAVOLI. The Lookout Stud. It is a stable.

Mr. BURLING. You first said "Lookout House," yourself; did you not?

Mr. LICAVOLI. Yes; I did.

Mr. BURLING. Was that a slip of the tongue?

Mr. LICAVOLI. I made a mistake. It is Lookout Stud.

Mr. BURLING. Do you seriously want to tell this committee that the Lookout House or Lookout is not a gambling casino in Kentucky?

Mr. LICAVOLI. I don't know whether it is or not. I have never been in there in my life.

Mr. BURLING. Next is Jack Dillon, Central 5844, in St. Louis. Who is he?

Mr. LICAVOLI. I don't remember making any calls to Mr. Dillon.

Mr. BURLING. Next is Sam Masseri, Main 9545, at San Diego.

Mr. LICAVOLI. He is a cousin of mine.

Mr. BURLING. Then we have Martin Fenster. He is a friend of yours, you say?

Mr. LICAVOLI. Yes.

Mr. BURLING. What does he do for a living?

Mr. LICAVOLI. He has a bar in Los Angeles, Calif.

Mr. BURLING. Have you ever done time?

Mr. LICAVOLI. Yes.

The CHAIRMAN. Will you answer audibly so that the reporter can get the answer?

Mr. LICAVOLI. Yes.

The CHAIRMAN. The answer is "Yes."

Mr. BURLING. What was the charge?

Mr. LICAVOLI. Bribery of a customs officer.

Mr. BURLING. Where did the alleged bribery take place?

Mr. LICAVOLI. I don't remember.

Mr. BURLING. Whom were you asserted to have bribed; do you remember that?

Mr. LICAVOLI. I don't remember.

Mr. BURLING. Whom were you asserted to bribe? Do you remember that?

Mr. LICAVOLI. Pardon me?

Mr. BURLING. Who was it said you bribed?

Mr. LICAVOLI. A customs officer.

Mr. BURLING. You do not remember where in the United States?

Mr. LICAVOLI. No.

Mr. BURLING. Where did you serve the time?

Mr. LICAVOLI. In Leavenworth.

Mr. BURLING. Do you know Joe Massei?

Mr. LICAVOLI. Yes.

Mr. BURLING. Do you know a man called Melford Jones?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Have you ever been in the Stork Club?

Mr. LICAVOLI. Not that I can remember.

Mr. BURLING. Did you shoot Melford Jones in the Stork Club?

Mr. LICAVOLI. I refuse to answer.

Mr. BURLING. I want to be sure you understood my question. I asked you, Did you shoot Melford Jones in the Stork Club?

Mr. LICAVOLI. No sir.

Mr. BURLING. Just a moment ago you refused to answer, on the ground that the answer would tend to incriminate you.

Mr. LICAVOLI. If you want me to put it that way, all right. You asked me if I shot Melford Jones, and I said "No."

Mr. BURLING. Did you shoot him anywhere not confined to the Stork Club?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Now, Mr. Chairman, I have a booklet called Green Sheet 1951 Almanac, and I will show it to the witness and ask him if it is not true that he arranged to have it printed and that he distributes these booklets.

Mr. LICAVOLI. I refuse to answer it, on the ground that it may tend to incriminate me under both State and Federal laws.

Mr. BURLING. In view of that question, I request that the book be received in evidence.

The CHAIRMAN. The booklet will be offered in evidence, admitted, and will be so marked by the official stenographer.

(The document identified was thereupon received in evidence as "Exhibit No. 6," and in on file with the committee.)

Mr. BURLING. My understanding of the law is that possession of gambling paraphernalia, including these books, is a violation of State law but there is no Federal law against numbers, which these books are used in connection with. I, therefore, respectfully request that you order the witness to answer the question.

The CHAIRMAN. Yes. It is so ordered, and you are directed to answer.

Mr. LICAVOLI. I refuse to answer, on the ground that it may tend to incriminate me, in violation of both State and Federal laws.

Mr. BURLING. I show you now a green book for 1950, and ask you if you arranged to have that printed.

Mr. LICAVOLI. I refuse to answer, on the same ground. It may tend to incriminate me in both State and Federal laws.

Mr. BURLING. Do you know a man named Jerry Martin?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. He hauled these books—

Mr. LICAVOLI. I refuse to answer, on the ground—

Mr. BURLING. Wait a minute. You have already answered the question.

Mr. LICAVOLI. You asked me if he hauled books.

Mr. BURLING. You are anticipating me. You have correctly guessed the question. Now, Martin hauled the books away from the printer; isn't that right?

Mr. LICAVOLI. I refuse to answer, on the ground that it may tend to incriminate me, both in State and Federal laws.

The CHAIRMAN. In connection with the book that has been offered in evidence, to ascertain whether you have any explanation to make of it, I have just picked at random on page 16 a series of statements under the month of July, headed "Monthly suggestions." It says:

Here are some hot numbers for the hot days of July: 318, 620, 074, 982.

If you are planning a vacation, these numbers will help you to finance your trip: 501, 610, 442.

Around the beginning of the month, watch for numbers 778, 452, and 910.

In July we start the last half of the year. Start it right with 513, 018, and 539.

Our extra special favorite number for July is 732.

Doubles good to follow are 440 and 737.

927 and 184 are best suggestions for July in the late races and in the first 10 days of the month and 320 and 726 in the early races.

Is there anything further you care to say in regard to that?

Mr. LICAVOLI. No.

Mr. BURLING. Are you related to Sam Bommarito?

Mr. LICAVOLI. Joe Bommarito?

Mr. BURLING. Mr. Chairman, I am going to show the witness two police records of two different men, named Joe Bommarito, and ask the witness if he can tell which is which. There are two Joes. One is "Scarface," and what is the other one's name?

Mr. LICAVOLI. Joe Bommarito.

Mr. BURLING. They are both Joe. One is identified as "Scarface," and the other is——

Mr. LICAVOLI. "Long Joe" Bommarito.

Mr. BURLING. I will show you this and ask you whether that is "Long Joe" or "Scarface"?

Mr. LICAVOLI. I refuse to identify the records. I refuse to identify any records.

Mr. BURLING. In order to lay a formal foundation for a possible contempt citation, Mr. Chairman, I ask that a photograph and a police record of someone named Joe Bommarito be marked as an exhibit.

The CHAIRMAN. All right. It will be marked and will be designated as No. 7. Will you be good enough to mark it, please, and then let the witness see it?

(The document identified was thereupon received in evidence as exhibit No. 7, and appears in the appendix on p. 268.)

Mr. LICAVOLI. I refuse to identify any records.

The CHAIRMAN. The question asked of the witness pertains to exhibit No. 6.

Mr. BURLING. It includes a police photograph, Detroit Police photograph No. 37496. In my opinion, Mr. Chairman, the witness may properly be asked to identify a photograph of an alleged hoodlum, especially since he is confused as to which Joe Bommarito is which. I think it is pertinent for us to inquire into that.

The CHAIRMAN. Would you first show him the other one, so he can be asked the question in connection with both?

Mr. BURLING. Then may I ask that a second police record of one Joe Bommarito be marked "Exhibit No. 8"?

The CHAIRMAN. All right.

(The document identified was thereupon received in evidence as exhibit No. 8, and appears in the appendix on p. 269.)

Mr. BURLING. Will you look——

Mr. LICAVOLI. I refuse to answer——



Mr. BURLING. Let me finish my question.

Mr. LICAVOLI. Yes.

Mr. BURLING. Refrain, please, from interrupting any questions until I ask you them. I want to lay a proper foundation. We are not asking you anything about any activity which you may have had with either of these men. We are merely asking you to examine these two police records, one of which has a photograph attached to it with a number which corresponds to the number of the criminal record involved, and we want to know whether the man in the photograph is "Scarface" or "Long Joe." Will you answer that question?

Mr. LICAVOLI. I refuse to identify any photographs or any records, on the ground that it may tend to incriminate me.

The CHAIRMAN. The Chair directs you to answer. Is it our understanding that the response is the same?

Mr. LICAVOLI. The same; yes.

Mr. BURLING. Mr. Licavoli, I notice that in your income tax return for 1948 you report an item called "Speculations, \$49,000." I wonder if you would care to tell us just what those speculations were.

Mr. LICAVOLI. I refuse to answer on the grounds that it may tend to incriminate me, in violation of both State and Federal laws.

Mr. BURLING. Are you willing to tell us whether your brother-in-law is Long Joe or Scarface Bommarito?

Mr. LICAVOLI. Long Joe is my brother-in-law.

Mr. BURLING. You keep no records of your financial transactions, I believe?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may tend to incriminate me, in violation of both State and Federal laws.

Mr. BURLING. Did you tell that to Mr. Amis on January 19, 1951?

Mr. LICAVOLI. I didn't have no records.

Mr. BURLING. You have no bank accounts, either; is that right?

Mr. LICAVOLI. I refuse to answer that, on the same grounds; it may tend to incriminate me, in both the State and Federal laws.

Mr. BURLING. You did tell that to Mr. Amis, though—didn't you?—even though you won't tell us under oath.

Mr. LICAVOLI. I refuse to answer that, on the same grounds.

Mr. BURLING. Did you ever hear of the Mexico Villa House?

Mr. LICAVOLI. I refuse to answer, on the grounds it may tend to incriminate me under both State and Federal laws.

Mr. BURLING. You don't deny that that is a numbers house; do you?

Mr. LICAVOLI. I refuse to answer, on the grounds it may tend to incriminate me under both State and Federal laws.

Mr. BURLING. All right. Who is Abe Balaban?

Mr. LICAVOLI. [No response.]

Mr. BURLING. You never heard of him?

Mr. LICAVOLI. No.

Mr. BURLING. Did you ever hear of the Gold Seal Liquor Co. at Chicago?

Mr. LICAVOLI. I have heard of that; yes.

Mr. BURLING. What is your business with them?

Mr. LICAVOLI. None whatsoever?

Mr. BURLING. Did you ever hear of the Willow Run Cleaners, located at 13164 Woodrow Wilson?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. You were in it; were you, as a partner?

Mr. LICAVOLI. Yes, sir.

Mr. BURLING. And Scarface Bommarito was in it?

Mr. LICAVOLI. Joe Bommarito.

Mr. BURLING. I can't tell which Bommarito is which if I didn't use the nickname.

Mr. LICAVOLI. The name is Joe.

Mr. BURLING. They are both Joe; aren't they?

Mr. LICAVOLI. I don't know where you get Scarface.

Mr. BURLING. How do you distinguish one Joe from the other?

Mr. LICAVOLI. Well, the name tells.

Mr. BURLING. You mean they are both Joe, but you can tell them apart by name? I don't understand that. Will you explain that?

Mr. LICAVOLI. [No response.]

Mr. BURLING. What is the Chesterfield House?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may tend to incriminate me, under both State and Federal laws.

Mr. BURLING. Isn't it the fact that that is the principal numbers house here in Detroit?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may tend to incriminate me, in violation of both State and Federal laws.

Mr. BURLING. Are you the top man in the Chesterfield House?

Mr. LICAVOLI. I refuse to answer, on the grounds it may tend to incriminate me under both State and Federal laws.

Mr. BURLING. Who is Mike Rubino, if you know?

Mr. LICAVOLI. A friend of mine.

Mr. BURLING. Would it be fair to describe him as one of your lieutenants?

Mr. LICAVOLI. I refuse to answer, on the grounds it may tend to incriminate me under both State and Federal laws.

Mr. BURLING. Who is Angelo Meli?

Mr. LICAVOLI. A friend of mine.

Mr. BURLING. What does he do for a living, if you know?

Mr. LICAVOLI. I don't know.

Mr. BURLING. Did you ever hear he is in the juke-box racket?

Mr. LICAVOLI. I don't know his business.

Mr. BURLING. Did you ever ask him what business he was in?

Mr. LICAVOLI. No.

Mr. BURLING. Did you ever hear of the Bay Reeves Apartments in Miami, Fla.?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Did you ever buy an apartment building in Miami?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Did you ever have any interest in real property in Miami?

Mr. LICAVOLI. No, sir.

Mr. BURLING. I think, in fairness to the witness, I should say that this piece of paper is misfiled. There is no reason to suppose he did.

The CHAIRMAN. Very well.

Mr. BURLING. Now, how about the Fischetti brothers? Are they friends of yours?

Mr. LICAVOLI. I don't know them.

Mr. BURLING. You never met them?

Mr. LICAVOLI. No.

Mr. BURLING. How about Joe Adonis? Do you know him?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Did you ever hear of him?

Mr. LICAVOLI. No, sir. Only what I read in the papers.

Mr. BURLING. Until Adonis' name was in the papers recently, you never heard of him?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Do you know Harry Bennett?

Mr. LICAVOLI. No, sir.

Mr. BURLING. You never met him?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Didn't you recruit hoodlums for him?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Did you ever recruit anybody, whether or not he was a hoodlum?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Do you deny that you recruited a squad of men——

Mr. LICAVOLI. I deny it; yes, sir.

Mr. BURLING. Mr. Licavoli, please wait until I finish the question. Did you not recruit a squad of men that were stationed in the Ford Motor Co.'s fire house to work in the service department?

Mr. LICAVOLI. I did not.

Mr. BURLING. You did not?

Mr. LICAVOLI. No.

Mr. BURLING. Is it not true that thereafter they were discharged by Bennett?

Mr. LICAVOLI. I don't know nothing about it.

Mr. BURLING. You don't know nothing about that?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Is it not true that, following that, you said that you wished to see Bennett, and Bennett wouldn't see you?

Mr. LICAVOLI. No. I don't know anything about it.

The CHAIRMAN. Answer audibly, please.

Mr. LICAVOLI. I don't know anything about that.

Mr. BURLING. Didn't you force his car off the road in order to force him to talk to you?

Mr. LICAVOLI. Absolutely not.

Mr. BURLING. Wasn't there a feud between you and Bennett?

Mr. LICAVOLI. No, sir. I don't even know the man. Never had no business dealings with him.

Mr. BURLING. Is it or is it not the fact that Bennett sent to New York for a Mafia leader to come out and adjudicate the dispute?

Mr. LICAVOLI. I don't know what you are talking about.

Mr. BURLING. You have never heard of the Mafia?

Mr. LICAVOLI. Yes.

Mr. BURLING. When did you first hear the word "Mafia" used?

Mr. LICAVOLI. In the newspapers.

Mr. BURLING. What year?

Mr. LICAVOLI. Lately; recently.

Mr. BURLING. As a boy, you never heard the word "Mafia" used at all?

Mr. LICAVOLI. No.

Mr. BURLING. How old are you, sir?

Mr. LICAVOLI. Forty-eight.

Mr. BURLING. Let's say up until you were 47 years old, you had never heard the word used?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Who is Angelo Lafata?

Mr. LICAVOLI. I don't know Lafata.

Mr. BURLING. Mr. Chairman, I am going to show the witness a picture attached to a police record, and ask the witness if he knows who the man in the picture is.

Mr. LICAVOLI. I don't know him.

Mr. BURLING. Who is Frank Cammarata?

Mr. LICAVOLI. My brother-in-law.

Mr. BURLING. Tell us how you are related to him.

Mr. LICAVOLI. He is married to my sister.

Mr. BURLING. You have a sister named Grace, and also a wife named Grace?

Mr. LICAVOLI. Yes.

Mr. BURLING. And he was convicted in Canada of a felony; was he not?

Mr. LICAVOLI. Yes.

Mr. BURLING. And after that he came to this country and got a sentence of 15 to 30 years; is that correct?

Mr. LICAVOLI. That is right.

Mr. BURLING. And that was commuted on the condition that he depart to Italy; is that correct?

Mr. LICAVOLI. I don't know the condition, sir. I know he was deported to Italy.

Mr. BURLING. You know that he didn't serve out the prison term, don't you?

Mr. LICAVOLI. Yes; I know that.

Mr. BURLING. Did you ever hear that a condition of his parole was that he be forthwith deported?

Mr. LICAVOLI. Deported to Italy; yes, sir.

Mr. BURLING. And then he illegally reentered the country; is that right?

Mr. LICAVOLI. I don't know if he illegally reentered. I couldn't answer that question.

Mr. BURLING. When you saw him, how did he tell you he had gotten back in after he had been deported?

Mr. LICAVOLI. I didn't see him until long after he was arrested.

Mr. BURLING. Didn't the FBI pick him up at your house in Grosse Pointe once?

Mr. LICAVOLI. After he was arrested in Ohio; yes.

Mr. BURLING. Yes; but he was at your house.

Mr. LICAVOLI. I wasn't there.

Mr. BURLING. But he was in your house when he was once picked up; is that right?

Mr. LICAVOLI. That's after he was arrested in Ohio, when the Immigration—

Mr. BURLING. But he was in your house. You knew he was deported, and then you saw him in your house, didn't you?

Mr. LICAVOLI. No; I saw him afterward—after he was arrested.

Mr. BURLING. What does Mr. Cammarata do for a living?

Mr. LICAVOLI. I don't know, sir.

Mr. BURLING. What kind of political influence do you have, Mr. Licavoli, if you can get a Congressman to introduce a special bill to stay the deportation of Mr. Cammarata after he had been convicted of two felonies and deported and then reentered the country illegally?

Mr. LICAVOLI. I don't know anything about it.

Mr. BURLING. Don't you know a bill was introduced?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Mr. Chairman, at this point I ask leave to introduce H. R. 6286 of the Eightieth Congress, second session, a bill for relief of Francesco Cammarata.

The CHAIRMAN. It will be marked and offered in evidence as exhibit No. 9.

(The document identified was thereupon received in evidence as exhibit No. 9, and appears in the appendix on p. 270.)

Mr. BURLING. Has Mr. Cammarata got any other powerful connections except you?

Mr. LICAVOLI. He hasn't got me. I have no part in it.

Mr. BURLING. Do you know Senator Capehart?

Mr. LICAVOLI. Do I know him?

Mr. BURLING. Yes.

Mr. LICAVOLI. Yes.

Mr. BURLING. Didn't you ask Senator Capehart to intervene in behalf of your brother-in-law?

Mr. LICAVOLI. No, sir.

Mr. BURLING. At this time, Mr. Chairman, I ask leave to read a photostat of a telegram addressed to Frank Cammarata, 236 Meadowbrook, Warren, Ohio. It is dated June 25, 1948:

Immigration just approved 90 days' stay. New York office being notified by teletype. Unnecessary you appear there Monday. Writer may be necessary your bond. Proper authorities will advise you.

RAY A. DONALDSON,

*Administrative Assistant to Senator Capehart.*

I will ask you again: Did you ask Senator Capehart to intervene?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Do you know Congressman Kirwan?

Mr. LICAVOLI. No, sir.

Mr. BURLING. Do you know or have any idea why he intervened in this matter?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. It is your testimony that you did not at any time talk to anybody about having the deportation of Mr. Cammarata stayed?

Mr. LICAVOLI. Absolutely not.

Mr. HALLEY. You never had any discussion about it with anyone?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Not with Mr. Cammarata?

Mr. LICAVOLI. Mr. Cammarata, I talked to him, but I don't know what he has done, or anybody else has done. I have had no connections or talked with anybody.

Mr. HALLEY. Did you suggest to Mr. Cammarata that he take any steps whatsoever?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You did not talk to anyone else at all about Mr. Cammarata's deportation?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Al Polizzi?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. How long have you known him?

Mr. LICAVOLI. Twenty years, twenty-five years.

Mr. HALLEY. Have you ever had any business relations with him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Frank Milano?

Mr. LICAVOLI. I know of him.

Mr. HALLEY. You have never met him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Tony or Anthony Milano?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You never met him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Doc Mangine?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. Are you related to him directly or indirectly?

Mr. LICAVOLI. No.

Mr. HALLEY. How long have you known him?

Mr. LICAVOLI. A few years; 5 or 6 years.

Mr. HALLEY. Who is James Licavoli?

Mr. LICAVOLI. He is my cousin.

Mr. HALLEY. Do you know whether or not James Licavoli recently was paroled from a penitentiary?

Mr. LICAVOLI. No.

Mr. HALLEY. In Ohio.

Mr. LICAVOLI. No.

Mr. HALLEY. Do you not know that Doc Mangine and James Licavoli lived together after Licavoli was released?

Mr. LICAVOLI. I don't know.

Mr. HALLEY. When did you last see Doc Mangine?

Mr. LICAVOLI. A few years back.

Mr. HALLEY. What is the nature of your relationship with Doc Mangine?

Mr. LICAVOLI. Just hello; an acquaintance.

Mr. HALLEY. Who introduced you to him?

Mr. LICAVOLI. I forget now, and don't remember.

Mr. HALLEY. Do you know anybody by the name of Thompson?

Mr. LICAVOLI. No.

Mr. HALLEY. In the building business.

Mr. LICAVOLI. No.

Mr. HALLEY. Do you know anybody by the name of Thompson who went on James Licavoli's parole with an offer of a job for him?

Mr. LICAVOLI. No.

Mr. HALLEY. Do you know whether or not James Licavoli actually went to work for Vincent Mangine when he got out of prison?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know where Vincent Mangine is now?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you not know that Mangine and Thompson are now in business with Al Polizzi in Florida?

Mr. LICAVOLI. No, I don't.

Mr. HALLEY. When did you last see Al Polizzi?

Mr. LICAVOLI. I haven't seen him in 3 or 4 years.

Mr. HALLEY. Do you know Willie Moretti?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. He may be known to you as Willie Moore.

Mr. LICAVOLI. I don't know him.

Mr. HALLEY. Did he ever visit you at your ranch in Tuscon?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Tony Gizzo?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. He lives in Kansas City.

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You do not know him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Did Joe Massei ever visit you at your ranch?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. At no time?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know John Angersola, sometimes known as John King?

Mr. LICAVOLI. Yes, I know him.

Mr. HALLEY. How long have you known him?

Mr. LICAVOLI. About 20 years.

Mr. HALLEY. He lives in Cleveland; is that right?

Mr. LICAVOLI. In Florida, I believe.

Mr. HALLEY. Now he lives in Florida, but comes from Cleveland; is that right?

Mr. LICAVOLI. That's right.

Mr. HALLEY. Have you ever had any business with him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Where did you meet him? Under what circumstances?

Mr. LICAVOLI. In Cleveland.

Mr. HALLEY. Did you ever work or have business in Cleveland?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. What brought you to Cleveland?

Mr. LICAVOLI. Just a visit.

Mr. HALLEY. Whom did you visit in Cleveland?

Mr. LICAVOLI. Friend of mine. I forget now, it was so long ago.

Mr. HALLEY. Was Al Polizzi one of the friends you visited?

Mr. LICAVOLI. I don't recall, Mr. Halley.

Mr. HALLEY. Did you ever visit any of the King boys in Cleveland? John King?

Mr. LICAVOLI. Johnny King; yes.

Mr. HALLEY. You did visit them?

Mr. LICAVOLI. Yes.

Mr. HALLEY. What is your business?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may tend to incriminate me both under State and Federal laws.

Mr. HALLEY. Do you have any legitimate business?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may tend to incriminate me under both State and Federal laws.

Mr. HALLEY. Have you ever had a legitimate business?

Mr. LICAVOLI. I refuse to answer, on the ground that it will tend to incriminate me under both State and Federal laws.

Mr. HALLEY. Have you ever had a legitimate business?

Mr. LICAVOLI. Yes.

Mr. HALLEY. What was the last legitimate business you had?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may tend to incriminate me under both State and Federal laws.

Mr. HALLEY. Have you had a legitimate business within the last 5 years?

Mr. LICAVOLI. I refuse to answer, on the grounds that it may intend to incriminate me under both State and Federal laws.

Mr. HALLEY. Did you operate your ranch as a business?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Just as a residence?

Mr. LICAVOLI. Yes.

Mr. BURLING. Then you did not operate it as a business? That is your testimony? You did not operate the ranch as a business?

Mr. LICAVOLI. I have certain sections of it——

Mr. BURLING. Did you or did you not?

Mr. LICAVOLI. I have certain sections of it operating as a horse ranch as a business. But on my private residence there is no business, just a private ranch.

Mr. BURLING. But you take deductions for the loss of the operations of the ranch on your income tax?

Mr. LICAVOLI. Just the horses.

Mr. HALLEY. Do you know Mickey Cohen?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Did he ever visit you at your ranch?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Do you know Little Augie Pisano?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. Have you ever been in Florida?

Mr. LICAVOLI. Yes.

Mr. HALLEY. In Miami or Miami Beach?

Mr. LICAVOLI. Miami Beach.

Mr. HALLEY. When were you last there?

Mr. LICAVOLI. 1928 or 1929.

Mr. HALLEY. Where did you stay there?

Mr. LICAVOLI. I forget the cottage in Hollywood.

Mr. HALLEY. You rented it?

Mr. LICAVOLI. Yes.

Mr. HALLEY. Did you ever own a home in Florida?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You have not been to Florida since 1929?

Mr. LICAVOLI. In 1928 or something like that. I can't remember.

Mr. HALLEY. Since 1929, have you had a legitimate business of any kind?

Mr. LICAVOLI. I refuse to answer on the ground that it may intend to incriminate me both under State and Federal laws.

Mr. HALLEY. I am talking about a legitimate business.

Mr. LICAVOLI. I refuse to answer on the ground that it may intend to incriminate me under both State and Federal laws.

Mr. HALLEY. You have income from some source, do you not?

Mr. LICAVOLI. I refuse to answer on the grounds that it may intend to incriminate me under both State and Federal laws.

Mr. HALLEY. Did you pay income taxes last year?

Mr. LICAVOLI. Yes, sir.



Mr. HALLEY. Then you must have had income to pay a tax on.

Mr. LICAVOLI. Yes.

Mr. HALLEY. Was that income based on any legitimate source?

Mr. LICAVOLI. I refuse to answer.

Mr. HALLEY. I am not asking about anything illegitimate, and I am just asking you to name any legitimate source.

Mr. LICAVOLI. I refuse to answer on the grounds that it may intend to incriminate me under both State and Federal laws.

Mr. HALLEY. I have no further questions.

The CHAIRMAN. The Chair directs that you answer the last question.

Mr. LICAVOLI. I refuse to answer on the grounds that it may intend to incriminate me under both State and Federal laws.

Mr. BURLING. I have just one or two more questions.

In 1949 you returned in your income-tax return an even \$42,000 for speculations. I do not want to know if that amount is correct, but just want to know how can you speculate so as to come out to a flat \$42,000 and not odd numbers?

Mr. LICAVOLI. I refuse to answer on the grounds that it may intend to incriminate me under both State and Federal laws.

Mr. BURLING. I suppose you won't tell us what the speculations were?

Mr. LICAVOLI. I refuse to answer.

Mr. BURLING. Do you know Pete Corrado?

Mr. LICAVOLI. Yes.

Mr. BURLING. How well do you know him?

Mr. LICAVOLI. Just an acquaintance, to say "Hello."

Mr. BURLING. Where is he?

Mr. LICAVOLI. I don't know.

Mr. BURLING. Neither do I. Did you ever hear him referred to as the "Enforcer"?

Mr. LICAVOLI. No, sir.

Mr. BURLING. He is your "enforcer," isn't he?

Mr. LICAVOLI. No, sir.

Mr. BURLING. That is all.

The CHAIRMAN. Now, that concludes the interrogation by counsel. I now desire to make an announcement. A series of questions were asked of you by counsel which appeared to the committee to be proper questions of interrogation, and are such that you have no right to refuse to answer on the grounds that they may tend to incriminate you for a Federal offense.

I want, first of all, to ask if you desire to modify your position and to answer any of the questions, or whether you persist in your refusal to answer?

Mr. LICAVOLI. I do.

The CHAIRMAN. That being so, it is incumbent upon this committee, because it is our opinion that the questions are proper questions and should be answered by you, to state to you that it will be recommended to the full committee that a citation for contempt be issued against you.

You are excused.

Mr. HALLEY. May I ask just one question again, because I want to be sure the witness understood it.

You say you do not know Willie Moretti?

Mr. LICAVOLI. No.

Mr. HALLEY. Who is sometimes known as Willie Moore?

Mr. LICAVOLI. No.

Mr. HALLEY. Have you ever heard of him?

Mr. LICAVOLI. I have heard of him.

Mr. HALLEY. He comes from New Jersey?

Mr. LICAVOLI. Yes, sir.

Mr. HALLEY. You do not know him?

Mr. LICAVOLI. No, sir.

Mr. HALLEY. You never met him?

Mr. LICAVOLI. No sir.

Mr. HALLEY. He never visited your ranch?

Mr. LICAVOLI. No, sir.

The CHAIRMAN. The witness is excused.

(Witness excused.)

### TESTIMONY OF WILLARD HOLT, DETROIT, MICH.

The CHAIRMAN. The next witness is Willard Holt.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HOLT. I do.

The CHAIRMAN. What is your full name?

Mr. HOLT. Willard Holt.

The CHAIRMAN. Your address?

Mr. HOLT. 487 Selden.

The CHAIRMAN. Mr. Holt, at the outset, let me ask you to keep your voice up so that the official reporters and others can hear you. Will you do so?

Mr. HOLT. I will.

Mr. BURLING. Mr. Holt, going back to the years around 1935 or 1936, did you become employed by the Ford Motor Co.?

Mr. HOLT. I did.

Mr. BURLING. After some months, were you employed at the service department?

Mr. HOLT. Well, I was employed one time in the service; yes.

Mr. BURLING. Will you tell us in just a word what the service department at Ford was?

Mr. HOLT. Well, it was what is known as the plant protection department today.

Mr. BURLING. What were the duties of the service department back in the thirties, very briefly?

Mr. HOLT. The service department was to guard the gate, mostly, and they had men in through the plant watching for fires, and that sort of thing, patrolmen.

Mr. BURLING. Occasionally they would beat up strikers and union leaders?

Mr. HOLT. I don't know about that.

Mr. BURLING. Who is the head of the service department, or who was the head when you were employed there?

Mr. HOLT. You mean the personnel director of Ford?

Mr. BURLING. I want to know the name of the man who was at the head of the service department.

Mr. HOLT. The head of the service department was a man by the name of Everett Moore. He was the foreman of the service department, or superintendent of the service department.

Mr. BURLING. To whom did he report?

Mr. HOLT. To Harry Bennett.

Mr. BURLING. What was—at the time that you started there, what was your understanding as to the origin of the men who worked in the service department?

Mr. HOLT. Well, to guard the plant.

Mr. BURLING. Perhaps to refresh your recollection, my notes tell me that you said the other day in my office about half the men who were in that group seemed to be left over from Joe Tocco's gang and half came from Joe Massei. Did you say that?

Mr. HOLT. I never made that statement.

Mr. BURLING. Did you work for a man named Gillespie?

Mr. HOLT. I do.

Mr. BURLING. Would you state whether or not Mr. Gillespie ever told you anything about the recruitment of a gang, or, rather, a group of auxiliary guards to work, or, rather, who were stationed in the fire house?

Mr. HOLT. We did. We recruited at that time a so-called squadron for that particular purpose.

Mr. BURLING. For what particular purpose?

Mr. HOLT. Well, for the purpose that if there was trouble any place, for that particular group to go there.

Mr. BURLING. What kind of trouble? If a machine broke down?

Mr. HOLT. Oh, no, Violence.

Mr. BURLING. If there was any violence in the plant, this particular group was stationed at the fire house and was supposed to go there and quell the violence; is that it?

Mr. HOLT. That is right.

Mr. BURLING. Who did you say recruited that group?

Mr. HOLT. Well, I guess Gillespie and I had as much to do with it as anybody else.

Mr. BURLING. I have to advise the committee that the witness is now changing his testimony from that which he gave me. The witness has stated that the previous witness, Licavoli, recruited the group. Do you deny you stated that?

Mr. HOLT. I deny that statement; yes.

Mr. BURLING. You did not say that to me and Mr. Amis?

Mr. HOLT. I didn't say that Licavoli recruited that group.

Mr. BURLING. That he recruited that group—

Mr. HOLT. You misunderstood me and the statement.

Mr. BURLING. Mr. Chairman, will you admonish the witness of the danger of perjury prosecution?

The CHAIRMAN. Of course, it is entirely in order for you to be advised that you are under oath.

Mr. HOLT. That is right.

The CHAIRMAN. As such, of course, you are required to testify truthfully to any questions which are asked of you. Of course, you are not to be coerced or intimidated or forced in any way. However, if any answers that are given are not in conformity with the truth, you are amenable to prosecution.

Mr. HOLT. Mr. Burling misunderstood the statement at the time, possibly. I think that if we go back on it—that we recruited that group in there. And he asked me at the time——

The CHAIRMAN. Who asked you?

Mr. HOLT. This gentleman here [indicating].

The CHAIRMAN. Indicating Mr. Burling.

Mr. BURLING. Did I participate in recruiting this group?

Mr. HOLT. You asked me the other day in the office where we got that group from.

The CHAIRMAN. What did you say?

Mr. HOLT. I told him that I thought they came from different sources. He asked me if Licavoli was one of them. I said yes, probably he was.

The CHAIRMAN. You still say that?

Mr. HOLT. I still think so; yes.

Mr. BURLING. May I read from the brief which I dictated very soon after I spoke to Mr. Holt? Mr. Amis, our chief investigator, also spoke to Mr. Holt at an earlier date and prepared a memorandum. My brief reads: "He"—that is, Mr. Holt—"was told by Gillespie a special squad of about 30 men in the fire house were recruited by Pete Licavoli."

Mr. HOLT. That was the wrong statement. I didn't mean that—that statement made—I am testifying here under oath now, as I understand.

Mr. BURLING. Did you lie to me? Is that your point?

Mr. HOLT. I am not expecting to tend to lie to anyone.

Mr. BURLING. You deny you made the statement I just read?

Mr. HOLT. I think you misconstrued the statement. I think that you misunderstood the statement. I think that you misunderstood the statement that I made.

Mr. BURLING. Was Mr. Amis present when I questioned you?

Mr. HOLT. That is right.

Mr. BURLING. Did you say that the men were paid at the regular rate of \$6 a day?

Mr. HOLT. That is right.

Mr. BURLING. Did you say that after a little while you heard from Gillespie that Licavoli was sore about that because he wanted a higher rate paid, so that he could get a kick-back?

Mr. HOLT. I still think that you are building up some of my statements. No, I think the statement that I made was that Mr. Gillespie told me that Licavoli thought that those men ought to have \$15 a day.

Mr. BURLING. Well, did Mr. Gillespie tell you why, that is, what reason Licavoli gave for thinking they ought to have \$15 a day?

Mr. HOLT. No; he didn't give me any reason.

Mr. BURLING. Now, when Licavoli said they should have \$15 a day, what, according to what you were told, did Bennett do?

Mr. HOLT. Well, Gillespie told me that Pete told him they ought to have \$15 a day. I said, "Are you going to tell Mr. Bennett that?" He said, "Yes." I said, "Well, there won't be anybody left here if he does."

Mr. BURLING. Will you go on with the statement?

Mr. HOLT. Well, I think that is exactly what happened, that the next day they were all let go.

Mr. BURLING. Tell us a little more details, please.

Mr. HOLT. I don't know what other details I could give you.

Mr. BURLING. Give me the same details you gave me in my office about 2 days ago.

Mr. HOLT. That they were taken down and let go, that Bennett wanted them out of there; they were only in there for a week, possibly, or maybe 2 weeks, at the most.

Mr. BURLING. Do you not remember, Mr. Holt, telling me in Mr. Amis' presence in my office only a day or so ago that Gillespie said it to you, or, rather, Bennett asked Gillespie how long it would take to get those guys out of there?

Mr. HOLT. Gillespie told me that; yes. When he came out, Bennett said 15 minutes was soon enough. That was Gillespie's statement.

Mr. BURLING. Bennett asked him how long it would take to get him out, and Gillespie said 15 minutes, and Bennett said, "Get them out." Is that right?

Mr. HOLT. That is right. He wanted them out.

Mr. BURLING. All right. And so they got out; is that right?

Mr. HOLT. That is right; they were dismissed.

Mr. BURLING. Now, did Gillespie tell you that Licavoli then tried to talk to Bennett, but Bennett refused to talk to him?

Mr. HOLT. Well, I have heard that; yes.

Mr. BURLING. Gillespie?

Mr. HOLT. Yes; that was John Gillespie who told me that Pete came out there to talk to Bennett.

Mr. BURLING. Do you recall Gillespie also telling you a day or so later that somebody had forced Bennett's car off the road and that Bennett had started shooting?

Mr. HOLT. Something like that happened at the present time; yes.

Mr. BURLING. It did not happen at the present time. It happened back in 1938 or 1939.

Mr. HOLT. That is a long time ago to remember a lot of things.

Mr. BURLING. It did not happen yesterday?

Mr. HOLT. No.

Mr. BURLING. It is back when you were working for Gillespie?

Mr. HOLT. That is right.

Mr. BURLING. It was in the newspapers that Bennett had done this?

Mr. HOLT. Yes.

Mr. BURLING. Gillespie told you who forced the car off the road, did he not?

Mr. HOLT. No; I wouldn't make that statement as to who forced the car off the road.

Mr. BURLING. I am not asking you who forced the car off the road. Did not Gillespie tell you who Bennett said—

Mr. HOLT. He did not tell me that.

Mr. BURLING. Mr. Chairman, if I may, I would like to invite the attention of the United States attorney to this. My notes, which I dictated, have an interview with Mr. Holt only a couple of days ago, and I dictated them almost immediately after I saw Mr. Holt. It reads as follows:

Gillespie told me the man who forced Bennett's car off the road was Licavoli.

Now, did you say that, or didn't you?

Mr. HOLT. I don't remember making that statement, no; and I wouldn't be in a position to know. As far as I know, Gillespie never said anything about Licavoli ever forcing him off the road.

Mr. BURLING. It may have been a pure fabrication of your imagining, but didn't you tell me that, whether it is a fabrication or not?

Mr. HOLT. No; I didn't tell you that.

Mr. BURLING. I made this up?

Mr. HOLT. Well, I don't know where you got it from, but I certainly do not remember telling you anything.

Mr. BURLING. I advise you that Mr. Amis is going to be the next witness. If he says he heard you say that, he is a liar? Is that your position?

Mr. HOLT. I am not saying that anybody is a liar. You asked me to tell the truth as near as I can tell it to you, and I am telling it.

Mr. BURLING. Did you lie to me in my room?

Mr. HOLT. Not that I know of.

Mr. BURLING. Has anybody gotten to you since you came to see me?

Mr. HOLT. Nobody has ever been around to see me.

Mr. BURLING. Are you afraid?

Mr. HOLT. I am afraid of nothing; no, sir. I have nothing to be afraid of.

Mr. BURLING. Didn't you further state that Bennett, after Licavoli forced him off the road, called up somebody in New York connected with the Mafia, and had somebody come out and adjudicate the dispute? Did you or didn't you say that?

Mr. HOLT. You asked me that question, and I said, "Yes," that I was told that there was a man coming in here from New York.

Mr. BURLING. From the Mafia, I said.

Mr. HOLT. Well, I don't know exactly what the Mafia is.

Mr. BURLING. The question is, Did you say it? Do you know what the Mafia is?

Mr. HOLT. I beg your pardon. You asked me about a certain party at that time, if I remember right. You asked me a question about a certain man and what his connection was with the Ford Motor Co. and what I knew about that particular man. I answered you that question. I didn't say that anybody from Italian Mafia or anything else had been brought in, and you asked me what that particular man's connection is. Am I right or wrong?

Mr. BURLING. I am going to have a witness testify to that, Mr. Holt. You deny that you told me that Bennett called in the Mafia to adjudicate the dispute?

Mr. HOLT. I didn't say that.

Mr. BURLING. You deny it?

Mr. HOLT. I deny it; yes.

The CHAIRMAN. All right. You may be excused.

(Witness excused.)

The CHAIRMAN. I call Mr. William Amis to the stand.

#### TESTIMONY OF WILLIAM D. AMIS, INVESTIGATOR FOR THE COMMITTEE, WASHINGTON, D. C.

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. AMIS. I do.

The CHAIRMAN. What is your full name, please?

Mr. AMIS. William D. Amis.

The CHAIRMAN. Mr. Amis, what is your position?

Mr. AMIS. Investigator for the United States Senate committee.

The CHAIRMAN. Mr. Amis, will you be good enough to keep your voice up and answer the questions? Thank you.

Mr. BURLING. How long have you been with this committee, Mr. Amis?

Mr. AMIS. Since September 8.

Mr. BURLING. How long have you been working for the United States Government?

Mr. AMIS. Intermittently, about 15 years.

Mr. BURLING. And most of that time it has been work of an investigative nature?

Mr. AMIS. It has been.

Mr. BURLING. Are you accustomed to hearing witnesses?

Mr. AMIS. I am.

Mr. BURLING. Did you, at my request and prior to my arrival in Detroit, call in and interview Mr. Holt?

Mr. AMIS. I did.

Mr. BURLING. Did you ask him any questions with regard to the recruitment of a gang in a service department of Ford Motor Co.?

Mr. AMIS. I did.

Mr. BURLING. Did he tell you who had recruited that gang?

Mr. AMIS. It is my understanding that he said they were recruited by Bennett, through Licavoli.

Mr. BURLING. That is, Pete Licavoli?

Mr. AMIS. Yes.

Mr. BURLING. Did he tell you at that time anything with regard to the discharge of that group; how it came about?

Mr. AMIS. As I remember, he said that Bennett wanted to discharge these people, and he asked Gillespie how long it would take him to get rid of them, and he said 15 minutes.

Mr. BURLING. Did he say anything about Licavoli in connection with that discharge?

Mr. AMIS. Well, Licavoli was dissatisfied because he wasn't getting a cut on the salary for these men.

Mr. BURLING. Did he tell you anything as to what he had heard from any person as to who forced Bennett's car off the road shortly thereafter?

Mr. AMIS. Mr. Holt said he had heard through Gillespie and rumors that it was Pete Licavoli who had forced the car off the road.

Mr. BURLING. Did he or did he not tell you that thereafter Bennett caused the Mafia in New York to arbitrate the dispute?

Mr. AMIS. He said that after that incident, Bennett called someone from New York who he considered the Mafia.

Mr. BURLING. He came out—

Mr. AMIS. To settle the dispute between Licavoli and Bennett.

Mr. BURLING. Do you happen to remember the date when Holt came in again and was interviewed by me in your presence?

Mr. AMIS. I don't recall.

Mr. BURLING. It was this week?

Mr. AMIS. It was this week; yes.

Mr. BURLING. Well, then, it must have been either Monday or Tuesday?

Mr. AMIS. Monday or Tuesday, that is right.

Mr. BURLING. Did I question Holt at some length?

Mr. AMIS. You did.

Mr. BURLING. Did he say to me substantially the same thing that he said to you?

Mr. AMIS. Yes; he did.

Mr. BURLING. With respect to Licavoli?

Mr. AMIS. That is correct.

Mr. BURLING. And did he especially say that he understood through Gillespie that Licavoli had forced Bennett's car off the road, and also that Bennett had sent for the Mafia to arbitrate the dispute?

Mr. AMIS. That is right.

Mr. BURLING. Thank you.

The CHAIRMAN. That will be all. Thank you.

(Witness excused.)

The CHAIRMAN. We will call Harry Bennett.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BENNETT. I do.

### TESTIMONY OF HARRY HERBERT BENNETT, DESERT HOT SPRINGS, CALIF.

The CHAIRMAN. Your full name, please?

Mr. BENNETT. Harry Herbert Bennett.

The CHAIRMAN. Mr. Bennett, your address is what?

Mr. BENNETT. Box 206, Desert Hot Springs, Calif.

The CHAIRMAN. And have you—

Mr. BENNETT. I am not in Desert Hot Springs. That is the nearest—

The CHAIRMAN. That is the nearest post office?

Mr. BENNETT. Yes.

The CHAIRMAN. For what period have you lived there?

Mr. BENNETT. About 3 years. We have been going out there for about 10 or 12 years.

The CHAIRMAN. And prior to that, did you live in this city?

Mr. BENNETT. Yes. Not in Detroit, no; Ann Arbor.

The CHAIRMAN. I mean, in this State?

Mr. BENNETT. Yes.

The CHAIRMAN. And for what period did you live in Michigan?

Mr. BENNETT. All my life.

The CHAIRMAN. Mr. Bennett, could I ask you at the very outset if you will be good enough to keep your voice up in response to the questions so that all may hear you?

Mr. BENNETT. Yes. Shall I move closer to this microphone?

The CHAIRMAN. That may help, too, but it will assist us all if you will keep your voice up. Thank you very much.

Counsel, will you proceed, please?

Mr. BURLING. When did you first go to work for the Ford Motor Co.?



Mr. BENNETT. I think right at the beginning of the war. Don't try to catch me on dates. I never made a note in my life.

Mr. BURLING. You don't believe much in files, I take it, Mr. Bennett?

Mr. BENNETT. Not at all; no.

Mr. BURLING. Mr. Chairman, I would like to read into the record, because of the fact that Mr. Bennett was too ill to come here, a letter from Dr. Frank C. Melone, of 124 East F Street, Ontario, Calif.: "United States Senate Committee on Organized Crime," and then the address:

GENTLEMEN: At the request of Mr. H. R. Van Brunt, I accompanied him to the ranch of Mr. Harry Bennett in Desert Hot Springs, Calif., to investigate the health of Mr. Bennett. Mr. Bennett was ambulatory and stated that he had arthritis of the spine, right knee, both ankles and both hands, and a chronic sinus infection. He has not been taking any medication or treatments except for sun baths and hot mineral water baths. He states that his arthritis has improved in the desert climate and a return to the cold climate now present in the East would be detrimental to his health. He still has symptoms of pain and swelling, but they are not severe and his condition does permit him to take periodic horseback rides.

The patient permitted an examination which revealed he does have a chronic sinusitis and arthritis of the cervical spine, both hands, right knee, and both ankles.

It is felt that this man will suffer some discomfort due to a cold climate but he is not endangering his life or permanently endangering his health by making such a trip. There are undoubtedly thousands of people with the same ailment living in the cold climate now existing in the Eastern States and getting along without too much discomfort. This was explained to Mr. Bennett and I feel that he is satisfied as to the correctness of that opinion.

Yours very truly,

FRANK C. MELONE, M. D.

We are sorry if you do feel discomfort, but the committee feels that your presence here, in view of the testimony already taken and to be taken is the imperative.

Mr. BENNETT. Yes.

Mr. BURLING. Now, shortly after World War I, you started in with the Ford Motor Co.; is that right?

Mr. BENNETT. Yes.

Mr. BURLING. And where did you start to work?

Mr. BENNETT. I started first at New York, 1610 Broadway, I think. That's the branch there in New York.

Mr. BURLING. When did you come to Detroit or the Detroit area?

Mr. BENNETT. Shortly after. Two weeks after that, I came back to Detroit.

Mr. BURLING. What did you do when you got here?

Mr. BENNETT. I went to Highland Park for Mr. Ford.

Mr. BURLING. Did you found the service department at the Ford Motor Co.?

Mr. BENNETT. No. A man named Kelley had already had the service.

Mr. BURLING. When did you become the chief of the service department?

Mr. BENNETT. I never was the chief of the service.

Mr. BURLING. You supervised it, did you not?

Mr. BENNETT. I supervised anything that was wrong. That is, if there was a department wrong, I was sent in to straighten it up, any department.

Mr. BURLING. Who determined the policy of the service department?

Mr. BENNETT. I would—mostly Mr. Ford's policy.

Mr. BURLING. Who determined upon the policy, if it was the policy—if it was the policy of hiring persons with criminal records?

Mr. BENNETT. That was Mr. Ford's idea.

Mr. BURLING. Did he ever explain to you what his idea was?

Mr. BENNETT. Yes. If you will let me tell that—it has never been explained, but these fellows around Detroit can tell you that there was a four-time-loser law. Maybe you know what I am talking about. If a man was convicted four times, maybe for drunkenness, or four convictions, he was sent up for life.

Mr. BURLING. I see.

Mr. BENNETT. And he thought there were a lot of people in our organization that ought to be up for life, so he asked me if I wouldn't look into it and see if that was true, and I did.

Mr. BURLING. In other words, Mr. Henry Ford, the elder, asked you to engage in some legal research?

Mr. BENNETT. Yes. He asked me to find out, and it was explained to me, and I brought back the answer to him. Then whatever—I'll tell you, whatever would come up in the newspaper, maybe there would be some young fellow's picture that would be up for maybe embezzlement or something like that, and it showed the background. It would be a sob story. Mr. Ford would send me out and we would watch that case to try to get him back into the plant.

Mr. BURLING. I see. In other words, Mr. Ford, whenever Mr. Ford's heart was touched by some pathetic story, would send you to—

Mr. BENNETT. Or Mrs. Ford.

Mr. BURLING. Or Mrs. Ford?

Mr. BENNETT. Yes; and we did that.

Mr. BURLING. And you would take care of things?

Mr. BENNETT. We did that and we got publicity, and that brought on thousands of calls from inmates in prison.

Mr. BURLING. And that is how the policy of hiring persons with criminal records came about?

Mr. BENNETT. Well, yes; criminal records, if you call those criminal records. We took very few criminals back—that is, what I call criminals. We took "Legs" Lehman—do you want that? Am I out of order or do you want to ask me that? "Legs" Lehman was a kidnaper. He agreed to give all the information to the officers if he would get him out of prison. Now, he was paroled to me. He lasted 5 days and I have never seen him since.

Mr. BURLING. Isn't it a fact that many criminals were paroled either to you or persons that you arranged to have—

Mr. BENNETT. Not that kind.

Mr. BURLING. It is your testimony that real felons, gangsters, and hoodlums were not—

Mr. BENNETT. Oh, no, no.

Mr. BURLING. Let me finish the question. You never knowingly, with the exception of this one man, recruited a man with a real criminal record for the service department?

Mr. BENNETT. No, never.

Mr. BURLING. The only criminals that were taken on the service department were taken on for purely humanitarian reasons?

Mr. BENNETT. They weren't all taken on the service department.

Mr. BURLING. I am just talking about the service department.

Mr. BENNETT. Oh, well, I don't know. I don't know of any criminals I had in the service department. Kid McCoy, they called him a criminal.

Mr. BURLING. It is your testimony you know of no man with a criminal record that was employed in the service department during your regime at the Ford Motor Co.?

Mr. BENNETT. I don't know of anyone with a criminal record.

Mr. BURLING. If anyone was employed anywhere in the Ford Motor Co. who had any criminal record, it would be one of the sob-story cases, is that right?

Mr. BENNETT. Not always, no. It was the case of Chester LaMarr—well, when we had the fruit—we had a man come out and deliver fruit to our grocery store there. He was shot through the head. Evidently they left him for dead. He didn't die.

Mr. BURLING. Chester LaMarr did not die?

Mr. BENNETT. Not Chester LaMarr. I am giving you the reason for Chester LaMarr—Mr. Ford heard about it and the papers wrote it up, and he came to me and he said, "By God, we will straighten this out," and that was the first time he started wanting me to get in touch with some people that would stop that.

Mr. BURLING. Did you get in touch with the underworld?

Mr. BENNETT. No; I got in touch with the United States Secret Service.

Mr. BURLING. Who in the Secret Service?

Mr. BENNETT. Joe Palmer and there was Burt Brown. They brought Chester LaMarr in to me and said he was on parole. I offered to take him into the plant on parole and give him something. After I talked to him a while I saw he didn't want to work so we offered him to—asked him if he could name someone in the fruit concession—that we had asked him if they'd take him in and he named a man named Balogna. Who Balogna was, I don't know him. He was a fruit dealer.

Mr. BURLING. Let us address ourselves to Chester LaMarr. How did he get the concession?

Mr. BENNETT. Balogna got the concession.

Mr. BURLING. At the time they shot Chester LaMarr, Joe Tocco had the concession, is that right?

Mr. BENNETT. Joe Tocco never had a concession.

Mr. BURLING. Did Tocco have anything to do with the Ford Motor Co.?

Mr. BENNETT. No, sir.

Mr. BURLING. As far as you know, was he ever at the plant?

Mr. BENNETT. No; his son did—I put his son in the trade school for him. That was for the help on something he did for us.

Mr. BURLING. Now, I ask you to ease your mind back about 20 years. Did you say that Joe Tocco did not have a concession?

Mr. BENNETT. No; Joe Tocco had no concession.

Mr. BURLING. You knew Joe Tocco?

Mr. BENNETT. Oh, sure, everybody in Detroit knew him.

Mr. BURLING. Mr. Bennett, along that line, so I will not have to ask a long list of questions, can you think of a well-known hoodlum in Detroit that you do not know?

Mr. BENNETT. A lot of them. I am not going to call them a hoodlum today. I don't know any. You are talking about 20 years ago. I knew a lot of them. If you want to call them a hoodlum, there is Joe Tocco and Joe Morena and LaMarr—the whole LaMarr crowd.

Mr. BURLING. You knew them?

Mr. BENNETT. Sure.

Mr. BURLING. I am asking if there is any hoodlum around here you did not know?

Mr. BENNETT. I suppose there is a lot of them I don't know. You name the hoodlums and I will tell you whether I know them or not.

Mr. BURLING. I just hoped we could save some time. You know Joe Massei?

Mr. BENNETT. No; I never met him.

Mr. BURLING. How about Pete Corrado?

Mr. BENNETT. I never heard of him.

Mr. BURLING. Is this the first time you ever heard his name?

Mr. BENNETT. The first time I ever heard his name.

Mr. BURLING. How about the Bommarito brothers?

Mr. BENNETT. I have heard of them. I don't know them, I never met them in my life.

Mr. BURLING. At any rate, Chester LaMarr had a concession in one of your plants?

Mr. BENNETT. He didn't have a concession?

Mr. BURLING. What did he have?

Mr. BENNETT. Balogna had the concession. He went in with Balogna.

Mr. BURLING. If he went in with him, he had a concession or part of a concession?

Mr. BENNETT. We did business with Balogna. LaMarr didn't know a banana from an orange.

Mr. BURLING. What was he doing?

Mr. BENNETT. He brought them in and wanted to stop people being shot.

Mr. BURLING. Why did you not call the police instead of Chester LaMarr?

Mr. BENNETT. I think the police agreed with him to do what I did do right then.

Mr. BURLING. I wonder if you would explain what it is you did. At least I cannot understand your justification there.

Mr. BENNETT. At that time, and if you were here at that time, which you weren't, we had about five factions around there, all of them quarreling. Every week end there would be people found dead.

Mr. BURLING. Gang fights?

Mr. BENNETT. Yes.

Mr. BURLING. Tell us the gangs and identify them.

Mr. BENNETT. No, sir.

Mr. BURLING. You refuse to? Will you tell us who they were? We would like to know.

Mr. BENNETT. You know as well as I do—do you want me to get my head blown off out here?

Mr. BURLING. I think your association is such that you are probably safe, Mr. Bennett.

Mr. BENNETT. I am safe, sure.

Mr. BURLING. Now, will you just tell us what the factions were—the gang factions?

Mr. BENNETT. Well, there is the East Side faction.

Mr. BURLING. Who was in the East Side faction?

Mr. BENNETT. I don't know who they were.

Mr. BURLING. You have no idea?

Mr. BENNETT. Only when the newspapers would come with them. I know who the West Side faction was—Chet LaMarr's outfit.

Mr. BURLING. Who else was in that with Chet LaMarr?

Mr. BENNETT. I don't know. They weren't steady workers on that job, you know—a job here and there and be killed.

Mr. BURLING. Now we come to the West Side, and you do not know anybody in the East Side faction?

Mr. BENNETT. No; I don't know.

Mr. BURLING. There was the West Side faction with Chet LaMarr?

Mr. BENNETT. Downriver crowd.

Mr. BURLING. That is D'Anna and Massei?

Mr. BENNETT. No; I never knew Tony D'Anna as a gangster in my life. He came in after all this was over. He was a kid those days.

Mr. BURLING. He came in about a week after LaMarr was over, did he not?

Mr. BENNETT. No. He came in to talk to me before LaMarr.

Mr. BURLING. He did not come in to talk to you—you sent for him?

Mr. BENNETT. No; that isn't so. That is absolutely not so. I never sent for Tony D'Anna in my life.

Mr. BURLING. Well, now that we are on Tony D'Anna, suppose you tell us when you first heard of him.

Mr. BENNETT. I met him with Louis Colombo on Woodward Avenue, in a fight—an arena there.

Mr. BURLING. That is where you first met him?

Mr. BENNETT. That is where I first met him.

Mr. BURLING. Who introduced you to him?

Mr. BENNETT. Louis Colombo.

Mr. BURLING. Who is he?

Mr. BENNETT. He was an attorney at that time, our attorney.

Mr. BURLING. At the Ford Motor Co.?

Mr. BENNETT. Yes.

Mr. BURLING. What did he say to you about D'Anna?

Mr. BENNETT. Not a thing, just D'Anna came over and Louis introduced me to him. There was nothing said about it.

Mr. BURLING. When was this?

Mr. BENNETT. Oh, I couldn't tell you—a long time ago. That was during Chet LaMarr's time, but Tony wasn't mixed up in any of that as far as I know.

Mr. BURLING. You met Tony before Chet got knocked off?

Mr. BENNETT. Yes.

Mr. BURLING. Did you talk to D'Anna at that time?

Mr. BENNETT. No. Just remarked about the boxers that were boxing.

Mr. BURLING. Did Colombo tell you what D'Anna was doing?

Mr. BENNETT. No.

Mr. BURLING. Had you heard of D'Anna before?

Mr. BENNETT. No. Never heard of him.

Mr. BURLING. When is the next time you saw D'Anna?

Mr. BENNETT. I can't tell you the next time. Later on the police department brought him in.

Mr. BURLING. Who did?

Mr. BENNETT. The police department, chief of police down at Wyandotte.

Mr. BURLING. River Rouge?

Mr. BENNETT. Wyandotte or River Rouge, one of the two places.

Mr. BURLING. That is the second time?

Mr. BENNETT. I don't know whether it is the second time. Those fellows come in like flies in and out.

Mr. BURLING. What was D'Anna's reputation at that time?

Mr. BENNETT. I don't know of any reputation he had. I just knew that he was an orphan by his folks being dead—his father was killed and the others—that was the general rule here.

Mr. BURLING. It was the general rule that his father and uncles had been murdered?

Mr. BENNETT. I don't know about his uncle. I knew about his father.

The CHAIRMAN. Was the chief of police to whom you referred, Walter Hancock?

Mr. BENNETT. Well, "Jad"—I don't know.

Mr. BURLING. Have you seen him here today?

Mr. BENNETT. I saw him in there. The first time I loaned him \$40—

The CHAIRMAN. I am trying to identify the individual.

Mr. BENNETT. I loaned him \$40. This is the first time I have seen him since. That was 15 years ago.

Mr. BURLING. You mean you never heard of the Vitale-Giannola feud?

Mr. BENNETT. No; that was ahead of my—

Mr. BURLING. You never heard the history of it?

Mr. BENNETT. Oh, yes, I have heard—sure, Duke Croffin gave me a lot of that. He told me about it, in coming into the jail and shooting up the jail to get one of them out.

Mr. BURLING. That was a very famous feud back around 1920?

Mr. BENNETT. Yes.

Mr. BURLING. When you saw D'Anna, you knew his parents were mixed up in it?

Mr. BENNETT. His father was.

Mr. BURLING. His father got shot by somebody. You knew that was Vitale?

Mr. BENNETT. No; I didn't know.

Mr. BURLING. Mr. Bennett, would you agree with what I think is your general reputation as being interested as knowing a great deal about crime conditions and that, generally, you were very much interested in that?

Mr. BENNETT. Oh, yes.

Mr. BURLING. You did not know that D'Anna came out of a background of a feud?

Mr. BENNETT. I know he was an orphan out of that crowd, yes. I didn't know it before I met him, until I was told about it. He was a kid when I first met him. He didn't look anything like the fellow I saw today.

MR. BURLING. Would it be some time before you talked to him about an agency that Colombo introduced you to a year or so——

MR. BENNETT. Before Colombo introduced me?

MR. BURLING. You said the first time you met him was with Colombo?

MR. BENNETT. Yes.

MR. BURLING. Some time before you first talked about an agency?

MR. BENNETT. Oh, yes.

MR. BURLING. You saw D'Anna in between those two times?

MR. BENNETT. Yes, several times.

MR. BURLING. Do you know where?

MR. BENNETT. Just in my office.

MR. BURLING. What was the first time he came to your office?

MR. BENNETT. That was, I think, with Walter Hancock.

MR. BURLING. Between that time and the first time when Colombo introduced you, did you see him any other time?

MR. BENNETT. No.

MR. BURLING. You deny that you called Hancock on the phone and told him to find D'Anna——

MR. BENNETT. I certainly do.

MR. BURLING. Please let me finish.

MR. BENNETT. You have already asked me.

MR. BURLING. Mr. Bennett, let me finish my question.

MR. BENNETT. Go ahead.

MR. BURLING. You deny that you called Hancock on the phone and told him to find D'Anna and bring him to you?

MR. BENNETT. Absolutely.

MR. BURLING. I suppose you deny that you talked about any plan to knock off Joe Tocco?

MR. BENNETT. I certainly did.

MR. BURLING. You did talk about it?

MR. BENNETT. No, sir; I did not talk. They were friends and lived right down together.

MR. BURLING. Joe Tocco did get knocked off later, did he not?

MR. BENNETT. Yes.

MR. BURLING. Do you know who did it?

MR. BENNETT. No. I think the police had a good idea.

MR. BURLING. Well, you knew everything the police knew, didn't you?

MR. BENNETT. Well, the police had facts. All I had was hearsay.

MR. BURLING. After Hancock brought D'Anna to see you, what did he say to you? Tell us the conversation.

MR. BENNETT. Well, you are taking me back too far to remember the conversation.

MR. BURLING. Did you prepare any file memoranda?

MR. BENNETT. Those fellows came in to chew the rag. My office was a clearinghouse for all that kind of stuff.

MR. BURLING. Did you make any file on this conversation?

MR. BENNETT. No.

MR. BURLING. In fact, you didn't keep any files at all?

MR. BENNETT. None; not working for Mr. Ford as long as I did. You didn't keep any notes or files.

MR. BURLING. So when you left the Ford Motor Co., it was practically impossible to tell what happened while you were there?

Mr. BENNETT. I have a pretty good memory, as good as anybody. I used to have a remarkable memory.

Mr. BURLING. Did you have some purpose for participating in the management of a giant corporation and keeping no files?

Mr. BENNETT. No. I did most of my work for Mr. Ford. In fact, I worked directly for him.

Mr. BURLING. Yes; and you very nearly ran the Ford Motor Co., didn't you?

Mr. BENNETT. When there was something wrong, I did.

Mr. BURLING. Well, would it be fair to say that in the later years that you were there you very nearly ran the company?

Mr. BENNETT. Yes.

Mr. BURLING. And yet you didn't keep any files?

Mr. BENNETT. No. I never interfered with the departments. They functioned by themselves.

Mr. BURLING. Well, you made quite a lot of arrangements which were quite important without making any memoranda or files which later would explain how things happened?

Mr. BENNETT. I can explain.

Mr. BURLING. I said without leaving any files that would explain it.

Mr. BENNETT. No; I have no files.

Mr. BURLING. I didn't suppose that you took the files with you. Mr. Bennett, but I advise you that the Ford Motor Co. has said that there are no files that explain what Joe Adonis is doing with the haul-away contract at Edgewater.

Mr. BENNETT. I don't know Joe Adonis. I never heard of him until I read about him in the papers.

Mr. BURLING. I am ahead of myself. I am talking about the files. You didn't think it appropriate to keep a file that would explain how the haul-away contract was awarded. You just did it orally?

Mr. BENNETT. No; I didn't have anything to do with the New York haul-away. That was done by the branch manager down there. I didn't interfere with it.

The CHAIRMAN. On the occasion of the visit by Hancock and D'Anna, did Hancock leave the room after the introduction of greetings were had?

Mr. BENNETT. The way I remember it, they stood outside and I came through the office. I had a private office. I came through the outer office and spoke to him and talked to Hancock a little while and D'Anna. I think all D'Anna was in there for was to see if he could get some business or something from us.

The CHAIRMAN. Was everything that you said to D'Anna said in the presence and hearing of Hancock?

Mr. BENNETT. Well, I don't know. There would be several people. I was very grateful to talk to any of those fellows alone. There would be several people in my office to hear that or we would have a ticker going.

The CHAIRMAN. You have no recollection of Hancock leaving so that you and D'Anna would be talking alone?

Mr. BENNETT. No.

Mr. BURLING. You said, "Or a ticker going." You mean you were in the habit of having your conversation on a ticker?

Mr. BENNETT. Yes.



Mr. BURLING. Was that a concealed microphone?

Mr. BENNETT. Yes.

Mr. BURLING. Was that for subsequent blackmail purposes?

Mr. BENNETT. Me blackmail people?

Mr. BURLING. Yes. It is kind of unusual to have a concealed microphone.

Mr. BENNETT. I certainly wanted people to know what was going on when I was in there. People could listen to any conversations that go out in the theater and listen to any conversations going on in my office. I did it for my own protection, and not for blackmail.

Mr. BURLING. I see. You don't keep files but you did have the concealed microphone?

Mr. BENNETT. Yes.

Mr. BURLING. Now, going back to this conversation, you didn't arrive at any deal with D'Anna at that time?

Mr. BENNETT. No. I never made a deal with D'Anna.

Mr. BURLING. You never made a deal?

Mr. BENNETT. No. I would refer him to the department head and if he got by, all right.

Mr. BURLING. What did you do with D'Anna that day?

Mr. BENNETT. Well, I don't know. I don't know whether we did anything that day. Meeting a man twice, I wouldn't do anything for him.

Mr. BURLING. Did he meet you a third time?

Mr. BENNETT. Oh, several times. In fact, they came to my office often.

Mr. BURLING. Did you ever do any business with D'Anna?

Mr. BENNETT. No; I never did any business.

Mr. BURLING. I suppose you don't know anything about how D'Anna got any of the agency in Wyandotte?

Mr. BENNETT. I only know one way. He would have to go upstairs and talk to the people that give out the agency. I gave out no contracts. I put in a good word for him. If they objected to it, I never overruled them.

You don't want me to answer questions. You won't let me answer your questions.

The CHAIRMAN. You are being given a full opportunity and you can take your time and answer fully.

Mr. BENNETT. The only time I insisted on anything is when Mr. Ford insisted on it. Then I would make the department head do what I asked him to do. If you ran that department and I would send him to you and you called me back and gave me a reason for not taking him, I wouldn't interfere unless Mr. Ford told me to give that man that job. Then I would insist that you give it to him.

Mr. BURLING. You were supposedly Mr. Ford's chief of staff?

Mr. BENNETT. That is as near as you can put it, sometimes.

Mr. BURLING. Well, all right. Now, with respect to D'Anna, is it your testimony that you don't know what happened to D'Anna's request for an agency?

Mr. BENNETT. There is a fellow named Creed who is D'Anna's partner.

Mr. BURLING. Mr. Pardo?

Mr. BENNETT. No; I never knew him. Who is D'Anna's partner now? Is it Joe Creed?

Mr. BURLING. I can't tell you. I don't know.

Mr. BENNETT. There is a man in the office, and I think you will find if you go back in the records of the Ford Motor Co. that we were going to cancel that demand there and give this guy Creech the job. He didn't have the money and I think D'Anna backed him up. So we gave him the go-ahead on it.

Mr. BURLING. To refresh your recollection, Mr. Pardo had an agency. You did cancel him out and then you put Pardo and D'Anna together as partners and Creed was general manager.

Mr. BENNETT. No; I wouldn't do that. I didn't know anything about that. I thought I was giving Creech the dealership.

Mr. BURLING. You never intended to give D'Anna the Ford agency?

Mr. BENNETT. Not alone.

Mr. BURLING. You intended to give——

Mr. BENNETT. With Creech, with the man that needed the money.

Mr. BURLING. But it was the Pardo Motor Sales Agency for the next 8 years. Doesn't that refresh your recollection?

Mr. BENNETT. No; I wasn't that close to the thing. I was tied up everyday in my life with Mr. Ford and I passed those things off to lieutenants and the heads of the departments.

Mr. BURLING. I see. Now, what investigation was it customary to make for the character and background of a person seeking Ford agencies in those days?

Mr. BENNETT. Well, the ability to sell, or if they were in a position that they could outsell a fellow that was in there.

Mr. BURLING. Suppose I tell you that a 31-year-old ex-bootlegger with a criminal record for bribing witnesses to a murder, and no capital, who had never been associated with the automobile business in any way, came in and asked for an agency. Would he ordinarily get it?

Mr. BENNETT. No.

Mr. BURLING. Well, that is what Mr. D'Anna did. Can you explain that?

Mr. BENNETT. Are you describing him when you say that?

Mr. BURLING. Yes, sir.

Mr. BENNETT. I didn't know anything about it. The first time I ever heard about it is just now.

Mr. BURLING. Although you were a very knowledgeable man in Detroit before you left?

Mr. BENNETT. No; I wasn't. I knew what I was doing in the plant, but I didn't know too much about what was going on. I left that to the police and the officials.

Mr. BURLING. It was your custom to call up the police, the chief of police in River Rouge and give him an order, wasn't it?

Mr. BENNETT. What do you mean, give him an order? When we had bootlegging down on our D. T. & L., when they threw a case of liquor on the trains, we called on them often.

Mr. BURLING. I am not talking about calling on them.

Mr. BENNETT. I never gave them an order in my life.

Mr. BURLING. When you spoke to every chief of police within 100 miles, you gave them an order, isn't that right?

Mr. BENNETT. No.

Mr. BURLING. Did you not order Chief Hancock to bring in D'Anna?

Mr. BENNETT. No, I didn't. If you put them both down here, I will make them admit it.

Mr. BURLING. And if he says you did, he lies?

Mr. BENNETT. Yes. We didn't need to send for those fellows.

Mr. BURLING. You have no knowledge, I take it, of what investigation, if any, was made of the character and reputation of Mr. D'Anna when he went into the agency?

Mr. BENNETT. Just that he was popular down there.

Mr. BURLING. How did you ascertain that?

Mr. BENNETT. By picking up the newspapers.

Mr. BURLING. He was, in 1931, in the newspapers in connection with matters other than murders?

Mr. BENNETT. No, but Wyandotte certainly was.

Mr. BURLING. I am trying to find out from you, Mr. Bennett, how you knew that D'Anna was popular in Wyandotte.

Mr. BENNETT. Well, the only way I could answer that is that it was common knowledge.

Mr. BURLING. It was common knowledge?

Mr. BENNETT. Yes.

Mr. BURLING. But it wasn't common knowledge that he was a big bootlegger?

Mr. BENNETT. I didn't know that.

Mr. BURLING. I see. It wasn't common knowledge that he had been in jail?

Mr. BENNETT. I didn't know he had been in jail. He was never quoted too high to me as being in that category.

Mr. HALLEY. The testimony of the chief of police is that you asked him to bring in D'Anna, is that not so?

Mr. BENNETT. That is not so.

Mr. HALLEY. Well, how did D'Anna get into your office?

Mr. BENNETT. Well, he came in with him. The chief of police was in there very often.

Mr. HALLEY. Was he a good friend of yours?

Mr. BENNETT. No, the boys around the office there. He generally came in to get a little something done on his car.

Mr. HALLEY. How did D'Anna happen to come in?

Mr. BENNETT. He brought him in.

Mr. HALLEY. Wholly unexpectedly?

Mr. BENNETT. Yes.

Mr. HALLEY. Then D'Anna nor the chief ever told you that D'Anna was coming in?

Mr. BENNETT. No.

Mr. HALLEY. Now, we have three different stories. Story No. 1 is that Mr. D'Anna says that he got in touch with you and asked for an appointment. That is wrong?

Mr. BENNETT. Oh, he called me often. He wanted to talk to me.

Mr. HALLEY. Now, did he call you to say that he wanted to see you about a Ford agency?

Mr. BENNETT. No, just that he wanted to talk to me.

Mr. HALLEY. D'Anna did call you often?

Mr. BENNETT. Oh, he called often.

Mr. HALLEY. Before he got the Ford agency?

Mr. BENNETT. Yes; about wanting to see me.

Mr. HALLEY. And he directly came in to see you?

Mr. BENNETT. He wanted to see me.

Mr. HALLEY. He wanted to see you?

Mr. BENNETT. A lot of them came in but I go out the back way.

Mr. HALLEY. You were ducking D'Anna?

Mr. BENNETT. I ducked any of them if I were busy with Mr. Ford. People came in from the outside office. I had an outside office and inside is a door with a lock on it. You could not go in but you could go out. I had a back door that I could get out.

Mr. HALLEY. The point is this, Mr. Bennett: There came a time at which you did see Mr. D'Anna?

Mr. BENNETT. Oh, yes; I saw him often.

Mr. HALLEY. You saw him often?

Mr. BENNETT. Yes.

Mr. HALLEY. There came a time when he came to your office?

Mr. BENNETT. Yes.

Mr. HALLEY. Did he do that often?

Mr. BENNETT. Yes, he often came to the office.

Mr. HALLEY. You saw him often?

Mr. BENNETT. Wait, now——

Mr. HALLEY. You saw him often before he got his agency?

Mr. BENNETT. Wait, now, not before he got his agency.

Mr. HALLEY. I am talking about before he got the agency.

Mr. BENNETT. No.

Mr. HALLEY. How often did you see him before he got the agency?

Mr. BENNETT. The only time I saw him was when I sent him to somebody. He came out to the house once to talk to me.

Mr. HALLEY. About what?

Mr. BENNETT. About getting into some kind of work with the company, some legitimate work. He always gave me the idea he wanted to get away from this other——

Mr. BURLING. What other?

Mr. HALLEY. How did that young man have entree to anybody as busy and important as you? What was the basis of your relationship?

Mr. BENNETT. I was never too busy to talk to anybody.

Mr. HALLEY. You talked to anybody?

Mr. BENNETT. I talked to governors and racketeers and judges and everybody in my office all at one time.

Mr. HALLEY. They were all welcome at your home too?

Mr. BENNETT. Yes; I entertained them at my home. I spent all my own money, and not the Ford Motor Co. money on entertainment.

Mr. HALLEY. Any racketeer that wanted to could come to your home and was welcome?

Mr. BENNETT. Not if I didn't know they were coming. Sometimes if they wanted to talk to me, and if they came out there, I would treat them all right.

Mr. HALLEY. When D'Anna came to your home, did he have an appointment to come to your home?

Mr. BENNETT. No.

Mr. HALLEY. He just walked in?

Mr. BENNETT. He drove up.

Mr. HALLEY. He drove up and walked in?

Mr. BENNETT. Yes.

Mr. HALLEY. That was before the chief brought him to your office?

Mr. BENNETT. No.

Mr. HALLEY. After the chief brought him?

Mr. BENNETT. Yes.

Mr. HALLEY. How about the time the chief brought him to your office; had you seen D'Anna previous to that?

Mr. BENNETT. I don't know. I believe I saw him but I don't—I didn't know him well enough.

Mr. HALLEY. You had never talked to him previous to that?

Mr. BENNETT. No; I didn't know him well enough.

Mr. HALLEY. On that occasion, when the chief brought him to your office, did you expect D'Anna, or was that a wholly unexpected visit?

Mr. BENNETT. It was a wholly unexpected visit.

Mr. HALLEY. D'Anna had not telephoned for an appointment?

Mr. BENNETT. He did not impress me at all. I didn't know who he was.

Mr. HALLEY. You didn't know who he was?

Mr. BENNETT. I didn't pay much attention.

Mr. HALLEY. D'Anna had not telephoned for an appointment?

Mr. BENNETT. No.

Mr. HALLEY. You had not telephoned the chief and asked him to bring D'Anna in?

Mr. BENNETT. I never telephoned the chief or asked him to bring anyone in.

Mr. HALLEY. If D'Anna said that he telephoned for an appointment or you sent for him, then he is lying, or mistaken?

Mr. BENNETT. That's right.

Mr. HALLEY. If the chief said that you telephoned the chief and asked him to bring D'Anna in, then the chief is lying or mistaken?

Mr. BENNETT. He is lying, and that is not hard for him to do.

Mr. HALLEY. It is not hard for the chief to lie?

Mr. BENNETT. No.

Mr. HALLEY. Has he lied to you on other occasions?

Mr. BENNETT. Yes, several, in fact. He was a nuisance to me. In fact, I loaned him \$40, figuring that I would never see him again, and I never did see him.

Mr. HALLEY. Then you bought him off pretty cheaply?

Mr. BENNETT. It was worth it.

Mr. HALLEY. Did you give him any moneys other than that on other occasions?

Mr. BENNETT. I just loaned him \$40 and he never came back.

Mr. HALLEY. With you, the chief has a bad reputation for veracity, then?

Mr. BENNETT. Yes.

Mr. HALLEY. Did he lie to you on any other occasion and such as you recall now?

Mr. BENNETT. I don't know. I can tell you now that I can say that he was full of bull. That is the only way that I can hand it to you.

Mr. HALLEY. Can you give me any other instance in which he was full of bull?

Mr. BENNETT. I said I didn't believe anything he said.

Mr. HALLEY. Even on factual matters when he says, "Bennett called me up and asked me to bring D'Anna in," you do not believe it?

Mr. BENNETT. No.

Mr. HALLEY. Can you think of any other specific instance where he told you an untruth?

Mr. BENNETT. Just that he talked too much. I wanted to get away and get back to work. I didn't listen to half of it.

Mr. HALLEY. You made a fairly serious charge against a man who is a police officer. Do you want to have it stand on the record that you think he is a liar?

Mr. BENNETT. Yes.

Mr. HALLEY. Would you be willing to state the basis of your belief?

Mr. BENNETT. Sure.

Mr. HALLEY. Will you please state the basis for your charge?

Mr. BENNETT. Just because I heard him talk before.

Mr. HALLEY. What have you heard him say that turned out to be untrue?

Mr. BENNETT. Thousands of things.

Mr. HALLEY. Could you give us, or could you think of one instance?

Mr. BENNETT. Nothing; just chatter.

Mr. HALLEY. You said some time ago that you had a pretty good memory. Can you think of one thing that he said that was not true?

Mr. BENNETT. Not 20 years back.

Mr. HALLEY. There is not one thing that you can definitely say that you remember that one time he told a lie?

Mr. BENNETT. Just that the fellow got under my skin.

Mr. HALLEY. You just do not like him?

Mr. BENNETT. No, I didn't like him or dislike him. I just didn't have time for him. I knew he was in there chiseling.

Mr. HALLEY. Is D'Anna a liar, too?

Mr. BENNETT. I don't know. I don't think he thinks he is.

Mr. HALLEY. Do you think he is?

Mr. BENNETT. I don't know what he said. Tell me what he said.

Mr. HALLEY. If he said he telephoned you and asked for an appointment, is that a lie?

Mr. BENNETT. I am sure he might have—now, I can't say that is a lie. He might have done that; he often did.

Mr. HALLEY. We are talking about the first time that the chief brought him in.

Mr. BENNETT. No.

Mr. HALLEY. He said that that was pursuant to an arrangement that he made with you. If he said that, that is wrong and you have already said it was wrong.

Mr. BENNETT. He helped him to come about an agency? Yes, that's wrong. He didn't bring him to get him an agency.

Mr. HALLEY. Did the chief tell you before that that he was going to bring D'Anna in?

Mr. BENNETT. No.

Mr. HALLEY. Now, don't you look people up before you give them an agency? Isn't your company the kind of company that makes a special investigation?

Mr. BENNETT. They should; yes. That is up to the man he is referred to.

Mr. HALLEY. An automobile agency is an important thing, is it not?

Mr. BENNETT. If they sell cars, it is important.

Mr. HALLEY. It is a valuable property, is it not?

Mr. BENNETT. Yes.

Mr. HALLEY. Don't you draw a credit report on a man?

Mr. BENNETT. Sometimes we have given people that we absolutely had to go out and sell cars for them, agencies.

Mr. HALLEY. There is always a special reason——

Mr. BENNETT. It wasn't my idea. Yes; there is a special reason.

Mr. HALLEY. Did you recommend D'Anna for this agency?

Mr. BENNETT. No.

Mr. HALLEY. Can you think of any reason why he should have gotten it then?

Mr. BENNETT. The only reason I can think of is that the man, either Creech or somebody in the plant, was talking about the agency and he must have backed him up and got in touch with him.

Mr. HALLEY. A man came in here and testified that D'Anna came to him and said, "You have a garage and I can get the Ford agency. Let's be partners." Are you familiar with that?

Mr. BENNETT. We have done things like that, but I am not familiar with it.

Mr. HALLEY. You never told D'Anna that he had the agency and that he should get a partner?

Mr. BENNETT. Not D'Anna—Creech, I think the man's name is, who wanted to take D'Anna in with him. He came to my office.

Mr. HALLEY. Who was that?

Mr. BENNETT. Creech. I think his name was Joe Creech.

Mr. HALLEY. Didn't Pardo have that situation?

Mr. BENNETT. I didn't know Pardo. I don't know anything about it.

Mr. HALLEY. You never heard of Pardo?

Mr. BENNETT. I don't know anything about it. I have heard of him since I have been back here, you know. You hear everything back in that room.

Mr. HALLEY. If Pardo said that D'Anna came to him and said, "I can get the Ford agency," then that is either a mistake or a lie?

Mr. BENNETT. Yes.

Mr. HALLEY. We are trying to find out here very simply what D'Anna had on the ball or on the Ford Co. or on you to get a Ford agency.

Mr. BENNETT. He didn't have anything on me or anything on the Ford Motor Co.

Mr. HALLEY. Let's look back at the record. If you had to do it over again, can you think of a single justification for giving D'Anna that agency, knowing the facts as you know them today?

Mr. BENNETT. I don't know; just the facts that he gave me.

Mr. HALLEY. If those are the facts, you would not give him the agency?

Mr. BENNETT. No.

Mr. HALLEY. What facts did you know at that time that made the case look any better?

Mr. BENNETT. Just that he was a fellow that wanted to get out of the way of the gangs down there and try to get away——

Mr. HALLEY. He wanted to get out of the way of the gangs down there?

Mr. BENNETT. Yes.

Mr. HALLEY. Then you must have known that he was in the way of the gangs down there.

Mr. BENNETT. No, I just know that they were down there.

Mr. HALLEY. You have just said that he wanted to get out of the way of the gangs down there.

Mr. BENNETT. Just a minute, now. I know that they were down there.

Mr. HALLEY. Would you read the answer, where the witness said that he wanted to get out of the way of the gang down there?

(Answer read.)

The CHAIRMAN. What did you mean by that?

Mr. BENNETT. Just exactly what he said there. He didn't want anything to do with that crowd.

Mr. HALLEY. What crowd?

Mr. BENNETT. The downriver crowd. Those were pretty tough times, those days, if you were around here.

Mr. HALLEY. Did he have anything to do with the downriver crowd?

Mr. BENNETT. I don't know a thing about it. Being an offspring of the people that he was, he might have been called on to.

Mr. HALLEY. Then you had a pretty strong suspicion that he had something to do with the downriver crowd?

Mr. BENNETT. No; I knew he was——

Mr. HALLEY. You said that you knew about his activities from the chief of police; is that not right?

Mr. BENNETT. No, I didn't say anything about it. I heard about him being a popular fellow.

Mr. HALLEY. Who was he popular with—the gang?

Mr. BENNETT. No, the town.

Mr. HALLEY. Doing what?

Mr. BENNETT. He was very well liked. He was in everything. He was always on some kind of a committee or something.

Mr. HALLEY. He testified that he had no business at all; that he was just getting along, and tried to imply that his brother-in-law was supporting him.

Mr. BENNETT. I don't know anything about that. I wasn't close enough to him to know anything like that.

Mr. HALLEY. What favorable factor did you know that caused you to even send him up to the head of the agency or department for an interview about an agency?

Mr. BENNETT. I might say this: I might have put him on the man he ought to talk to.

Mr. HALLEY. You were just trying to get rid of him?

Mr. BENNETT. I just passed the buck, and did that every day in my life.

Mr. HALLEY. Then it was just somebody else's mistake that he got this agency?

Mr. BENNETT. It would have to be.

Mr. HALLEY. It was a mistake, was it not, if the facts are as you heard them?

Mr. BENNETT. I don't know how good an agency he has. If he still has got the agency, then I don't think it is much of a mistake. If he hasn't killed anybody, I think it was a good move.

Mr. HALLEY. Is it to the credit of the Ford Motor Co. that it hands over its agencies to people who have a criminal record with no legitimate business, with no assets, and no experience in the automobile business?



Mr. BENNETT. Yes; if they could cut down on the gangs that way, I would give them all an agency.

Mr. HALLEY. Then you would recommend that in order to improve criminal conditions, Ford give automobile agencies——

Mr. BENNETT. Give them all work or something to do.

Mr. HALLEY. Give them something to do and give them Ford agencies?

Mr. BENNETT. Not anything to do, but something to do.

Mr. HALLEY. Is that the principle on which you recommended this man for an agency?

Mr. BENNETT. I didn't recommend him for an agency.

Mr. HALLEY. Would you favor him over a man that had no record and that had experience in the automobile business?

Mr. BENNETT. The man to get the agency was right in the plant. If you go back in the record, I believe he did get it, or perhaps they crowded him out. I don't know anything about it.

Mr. HALLEY. They didn't crowd him out. They came to see you and something happened after they saw you. What we are trying to find out is how the right man was crowded out by these people.

Mr. BENNETT. I never knew the right man was crowded out.

Mr. HALLEY. You said the right man——

Mr. BENNETT. I wouldn't even——

Mr. HALLEY. If he was crowded out, you know nothing about it?

Mr. BENNETT. That's right.

Mr. HALLEY. It is quite apparent he was crowded out. If a young man of 31 with no experience who had been wholly unoccupied for 2 years previously, and who prior to that had been selling sugar—that wouldn't be the right man; would it?

Mr. BENNETT. No.

Mr. HALLEY. He wouldn't.

Mr. BENNETT. No.

Mr. HALLEY. Well, let's turn for a moment to one other case. You say you know nothing about Joe Adonis Automotive Conveyance?

Mr. BENNETT. I never heard of that name in my life.

Mr. HALLEY. In New Jersey?

Mr. BENNETT. No, I wouldn't interfere with that anyway.

Mr. HALLEY. Mr. Burling wants to ask you a few more questions about this case.

Mr. BURLING. Before we go to Edgewater, is it not a fact, Mr. Bennett, that about 2 weeks after this time that the chief brought D'Anna to your office, you met the chief and asked him how D'Anna worked out, and you said to the chief that you would arrange to give him a half interest in the agency, and would bring back Pardo, only the agency would have to be in Pardo's name, because D'Anna would stink up the agency?

Mr. BENNETT. No; not me.

Mr. BURLING. You didn't say that?

Mr. BENNETT. Absolutely not.

Mr. BURLING. If the chief—he hasn't testified to that yet——

Mr. BENNETT. And he won't.

Mr. BURLING. And I hear that he has left.

If the chief testifies to that, he is lying again; is that right?

Mr. BENNETT. Yes.

Mr. HALLEY. Now, let us get back to Edgewater. Did you ever hear of the Automotive Conveyance Co.?

Mr. BENNETT. No, not the name.

Mr. HALLEY. Did you know that you had a company hauling cars away at Edgewater, N. J.?

Mr. BENNETT. I suppose they have.

Mr. HALLEY. You have no knowledge of that situation at all?

Mr. BENNETT. No; not of any situation there. We have never had any trouble there.

Mr. HALLEY. Did you ever have anything to do with letting out the contract?

Mr. BENNETT. No.

Mr. HALLEY. For the automotive hauling at Edgewater?

Mr. BENNETT. No, not a thing. In the New York branch, there was a very competent man there. Nobody interfered with him.

Mr. HALLEY. Various people say that you did arrange that through Detroit. Then they are not telling the truth?

Mr. BENNETT. They are not telling the truth.

Mr. HALLEY. Did not a situation arise where it was called to the attention of the Ford Motor Co. that Joe Adonis was an officer?

Mr. BENNETT. I never heard of Joe Adonis.

Mr. HALLEY. You never heard of that?

Mr. BENNETT. I never heard of him until the other——

Mr. HALLEY. Was that not handled through your office?

Mr. BENNETT. No, sir; absolutely not.

Mr. HALLEY. Wasn't your office advised that Joe Adonis was a notorious gangster with a criminal record?

Mr. BENNETT. No.

Mr. HALLEY. And didn't the Ford Motor Co. make efforts to see if they could replace the Automotive Conveyance Co. with another non-gangster-controlled company?

Mr. BENNETT. Not that I know of.

Mr. HALLEY. And didn't they find that nobody else would bid for that contract against Joe Adonis?

Mr. BENNETT. No; not that I know of.

Mr. HALLEY. Do not the records of the Ford Motor Co. show that you gave that contract to Joe Adonis?

Mr. BENNETT. No, sir. If they do, somebody has faked them. If they do, it has been done since I left there. No one dared do that when I was there.

Mr. HALLEY. Did you ever have any conference with anyone concerning the contract for hauling cars away from the New Jersey plants of the Ford Motor Co.?

Mr. BENNETT. There was no concern on the cars from the Jersey plants at all.

Mr. HALLEY. Is it a coincidence that musclemen and racketeers have hauling contracts with the Ford Motor Co. in New Jersey, and that they obtained one here?

Mr. BENNETT. Is that the only company they have hauling contracts for?

Mr. HALLEY. Did you have personal knowledge of any other company's activities?

Mr. BENNETT. No, but I didn't think any of them were any different than us.

Mr. HALLEY. If you know of any, I would be very happy to know about it.

Mr. BENNETT. I thought they all had the same—I thought the same convoys took all our cars.

Mr. HALLEY. Well, do they?

Mr. BENNETT. I don't know. It was none of my business. I wasn't concerned about it.

Mr. HALLEY. Wasn't there a motive in hiring strong-arm men to haul these cars?

Mr. BENNETT. Not unless they were having trouble there. Then they might have.

Mr. HALLEY. Well, do you know whether they were having trouble or not?

Mr. BENNETT. No; I never knew of them having any trouble. We had a very competent man there. I think he is still there now.

Mr. HALLEY. Have you ever sought to have protection for your automobile-hauling operation?

Mr. BENNETT. If we did, we would follow them ourselves.

Mr. HALLEY. Who would do it? How was it done?

Mr. BENNETT. We would follow along in a car in back of them.

Mr. HALLEY. Who did it?

Mr. BENNETT. Well, anybody I'd assign to it.

Mr. HALLEY. Who would you assign?

Mr. BENNETT. Not hoodlums, our own men. I had athletes, good men. The newspapers might call them hoodlums. I call them ex-boxers, ex-football players, and like that, but men that could take care of themselves.

Mr. HALLEY. Did any of them have criminal records?

Mr. BENNETT. No; none of them.

Mr. HALLEY. You never hired a man, knowingly, with a criminal record?

Mr. BENNETT. No.

Mr. HALLEY. That is all right now.

Mr. BURLING. Coming to the E. & L. Haulaway, when did you learn first that D'Anna had a half interest in it?

Mr. BENNETT. I didn't know anything about the E. & L. The first time I heard about it is right back there. How long has that been going on; do you know that?

Mr. BURLING. On where?

Mr. BENNETT. How long has the haul-away been going on?

Mr. BURLING. Is it necessary for me to tell you, Mr. Bennett?

Mr. BENNETT. Yes; it is.

Mr. BURLING. Excuse me.

Mr. Bennett, you must wait until I finish my questions. Is it necessary for anyone to tell you when the haul-away contract was entered into which hauled all Ford motor cars away from the Detroit area plants?

Mr. BENNETT. Yes. It is very necessary for you to tell me.

Mr. BURLING. You don't know?

Mr. BENNETT. No. If you would stop and think a minute, 7:30 in the morning Mr. Ford picked me up. I was with him until noon. I had just a little while then. I was with him after noon until 5 o'clock nearly every day.

Mr. BURLING. In other words, you have been kind of overbuilt as the real manager of Ford. You were really Henry Ford's valet.

Mr. BENNETT. Yes; his valet.

Mr. BURLING. His valet?

Mr. BENNETT. Yes. You know better than that.

Mr. BURLING. That is the way you describe yourself.

Mr. BENNETT. You know better than that.

Mr. BURLING. And you don't know such an important fact as when the contract to haul Ford cars away from the Ford plants in the Detroit area was entered into?

Mr. BENNETT. No; I don't.

Mr. BURLING. And you testified here under oath that you did not know until you came into the jury room today that D'Anna had a half interest in it?

Mr. BENNETT. Well, I knew he hauled for the bomber plants, but I didn't give him that.

Mr. BURLING. You did know that?

Mr. BENNETT. Yes; the bombers. That's all.

Mr. BURLING. But you didn't know anything else?

Mr. BENNETT. No; that's the only haul-away I remember him having.

Mr. BURLING. I see. You also testified, when Mr. Halley was questioning you, that you had never heard of Joe Adonis until you were in the witness room.

Mr. BENNETT. No; I never heard of him.

Mr. BURLING. You never heard the name?

Mr. BENNETT. No.

Mr. BURLING. Do you read the newspapers?

Mr. BENNETT. I read them since I started out here; yes.

Mr. BURLING. You took up reading the newspapers when you were subpoenaed; is that your testimony?

Mr. BENNETT. We read the California papers. I am not much interested in these papers.

Mr. BURLING. Isn't Joe Adonis all over the California papers, too?

Mr. BENNETT. I didn't notice.

Mr. BURLING. Your testimony is you really want to stand on oath that you never heard the name "Joe Adonis"?

Mr. BENNETT. Sure; I'm on oath here.

Mr. BURLING. Will you please stop interrupting me.

Mr. BENNETT. Why don't you take my word?

Mr. BURLING. Because it is incredible.

Mr. BENNETT. That is your opinion.

Mr. BURLING. At any rate, you made no file which reflects how the haul-away contract in the Detroit area was entered into?

Mr. BENNETT. No.

Mr. BURLING. Is that right?

Mr. BENNETT. No.

Mr. BURLING. You left your successors without any information as to what went on?

Mr. BENNETT. I don't know how my successors—who they were and what they were.

Mr. BURLING. You have heard of Mr. Bugas, for example?

Mr. BENNETT. Yes; I have heard of him.

Mr. BURLING. Now, is there any way he can go to a file that you know of and look up the way in which the E. & L. Transport contract was negotiated?

Mr. BENNETT. No; but he had them 3 years there loose where he could find out anything he wanted.

Mr. BURLING. Is there any file? I am talking about a filing system.

Mr. BENNETT. No; I never kept a file. There is probably a file up there if you go in the right department.

Mr. BURLING. All right. Tell me where we can look.

Mr. BENNETT. Well; all right; whoever lets the haul-aways out. That would be Harry Mack or the branch, or it might be the superintendent of the plant.

Mr. BURLING. That would reflect on how it was negotiated, what investigation was made, and so on?

Mr. BENNETT. They should have a file; yes.

Mr. BURLING. And would there be anything in the file that would show how D'Anna got the agency?

Mr. BENNETT. There should be; yes. That showed when, the date—

Mr. BURLING. And the investigation of character reports and so on?

Mr. BENNETT. That should show that, too. There should be a contract let.

Mr. BURLING. All right. Now, addressing yourself to the year 1937, did you recruit a squad of persons who were assigned to the fire house that were to be used in case any violence should break out?

Mr. BENNETT. You will have to come again on that.

Mr. BURLING. Did you ever put any plant protection or service department men on your payroll as auxiliary firemen, but who were really to act as plant police?

Mr. BENNETT. We had a fire department, but they acted as that. We didn't add to it.

Mr. BURLING. You never had any special squad in the fire department?

Mr. BENNETT. No.

Mr. BURLING. Did you have any special squad to deal with violence?

Mr. BENNETT. No. Only our own men.

Mr. BURLING. I understand they are your own men. I understand you hired them. My question is, Did you ever recruit a special squad?

Mr. BENNETT. No; we didn't have a goon squad, if that's what you mean.

Mr. BURLING. You did not have. Now, did you have any group of 30 or more men who were carried on the rolls as auxiliary firemen that were put out of the plant in a very short time?

Mr. BENNETT. No.

Mr. BURLING. You never had a demand from special firemen for a higher rate of pay which caused you to say, "Get them out of here"?

Mr. BENNETT. No.

Mr. BURLING. Do you know Pete Licavoli?

Mr. BENNETT. No. The first time I ever saw him was right there.

Mr. BURLING. You seemed to have learned or seen or heard quite a number of things in that witness room.

Mr. BENNETT. You ought to go in and listen.

Mr. BURLING. At any rate, on March 22, 1937, somebody forced your car into a ditch at Greenfield Road near Michigan Avenue in Dearborn; is that right?

Mr. BENNETT. Yes.

Mr. BURLING. And you got——

Mr. BENNETT. No; forced me over a curb.

Mr. BURLING. And you got out of the car with a gun drawn; is that right?

Mr. BENNETT. Yes; I got out with a .45 in my hand.

Mr. BURLING. Was anyone with you?

Mr. BENNETT. No.

Mr. BURLING. Who was in the other car?

Mr. BENNETT. There were three fellows in there.

Mr. BURLING. Who were they?

Mr. BENNETT. I don't know who they were. I thought I recognized them.

Mr. BURLING. Who did you think you recognized?

Mr. BENNETT. I thought I recognized some downtown hoodlums. I don't know who they were. I know them by face. I described them to the police. The police thought they knew them. I got the chief of police over and told him who I thought they were.

Mr. BURLING. The chief of Dearborn police?

Mr. BENNETT. Yes.

The CHAIRMAN. Who did you tell him you thought they were?

Mr. BENNETT. I thought they were the downtown hoodlums. I know a lot of those faces. I couldn't tell you names. In fact, they change them so fast, you can't keep up with them.

The CHAIRMAN. Did they show you pictures?

Mr. BENNETT. Oh, no; I described them.

Mr. BURLING. Did the police tell you who they thought the men were?

Mr. BENNETT. Harold Brooks thought he could bring them in.

Mr. BURLING. But he didn't tell you who he thought they were?

Mr. BENNETT. No.

Mr. BURLING. Weren't you curious enough to ask him?

Mr. BENNETT. No. I wasn't curious at all. I was just glad to get out. I don't think they wanted to hurt me. I think they wanted to stop me and question me.

Mr. BURLING. Stop you and question you about what?

Mr. BENNETT. About anything; I don't know.

Mr. BURLING. Do you have any idea of the topic that they wanted to question you on?

Mr. BENNETT. Just that I was going to the police with information, and that's the only reason I know of they wanted to stop me.

The CHAIRMAN. You, of course, suspected it was deliberate?

Mr. BENNETT. Oh, sure.

The CHAIRMAN. You thought they were going to get you, and that is why you had the gun in your hand?

Mr. BENNETT. They pulled up along side of me twice, and I thought I was going to get it. I was shot down in my life once, and you get a little jittery after that.

Mr. BURLING. But you don't think it was Pete Licavoli that stopped you?

Mr. BENNETT. No; not if this is Pete Licavoli.

Mr. BURLING. What is your understanding of the meaning of the word "Mafia"?

Mr. BENNETT. I think that's—at one time, we had the Black Hand squads here that used to take a lot—I think it was very much over-rated.

Mr. BURLING. The Black Hand squad?

Mr. BENNETT. Oh, no; the Mafia.

Mr. BURLING. Just tell us what the Mafia was, according to your best understanding.

Mr. BENNETT. Well, it was an organization that started in Sicily and filtered into this country and then filtered out down in New Orleans.

Mr. BURLING. Tell us your understanding of what kind of an organization it was.

Mr. BENNETT. Do you want the history of the Mafia?

Mr. BURLING. I would like to know everything you know about the Mafia.

Mr. BENNETT. Well, all I know about it, for a while there, children were being picked up—for instance, if you were a fruit merchant that went in business, and you had a child, somebody would pick him up, because you didn't kick in for protection or something like that. Then there was the Mafia, of course, which is a national affair from Europe, but these fellows put the black hand squad on.

Mr. BURLING. Can't you tell us what the Mafia is?

Mr. BENNETT. Well, the Mafia originally was an organization, a secret organization in Sicily that went out on revenge, knocked off people they didn't like.

Mr. BURLING. Knocked off people they didn't like?

Mr. BENNETT. Yes.

Mr. BURLING. What is your understanding of the nature of the Mafia in this country?

Mr. BENNETT. I have none, outside of what I have read about New Orleans. I thought it was cleaned up here. I don't think there is anything like it now.

Mr. BURLING. Did you ever ask the Mafia to intercede in a dispute between you and Pete Licavoli?

Mr. BENNETT. No; I never had a dispute with Pete Licavoli.

Mr. BURLING. Did you ever have any dealings with the Mafia?

Mr. BENNETT. No.

Mr. BURLING. Do you know any members of the Mafia?

Mr. BENNETT. No, I don't know. I might know a lot of them, but I don't know. They wouldn't admit it.

The CHAIRMAN. I think that is all, Mr. Bennett. That will conclude your testimony. Thank you.

Mr. BENNETT. Can I go back to California?

The CHAIRMAN. I think so. If your plans are not completed to leave today, we might be in touch with your further, but there is no expectation of it.

Mr. BENNETT. I would like to get back. I have a youngster there about 12 years old back on the desert——

The CHAIRMAN. We will be in touch with you at the conclusion of the testimony.

Mr. BENNETT. I am at the Fort Shelby.

(Witness excused.)

The CHAIRMAN. Nono Minaudo.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MINAUDO. Yes.

### TESTIMONY OF NONO MINAUDO, DETROIT, MICH.

The CHAIRMAN. Your full name?

Mr. MINAUDO. Nono Minaudo.

The CHAIRMAN. And you live where?

Mr. MINAUDO. 17418 Monica.

The CHAIRMAN. And how long have you lived there?

Mr. MINAUDO. Six years.

The CHAIRMAN. Where did you live before that?

Mr. MINAUDO. On Cherrylawn.

The CHAIRMAN. Would you talk slowly and loudly and distinctly, please. We will get along fine.

Mr. MINAUDO. Yes, sir.

The CHAIRMAN. Will you proceed, counsel?

Mr. BURLING. Where were you born, Mr. Minaudo?

Mr. MINAUDO. Italy.

Mr. BURLING. What part of Italy?

Mr. MINAUDO. Sicily.

Mr. BURLING. When were you born?

Mr. MINAUDO. 1900, June 15.

Mr. BURLING. Where and when and under what circumstances did you enter the United States?

Mr. MINAUDO. I came in from New Orleans.

Mr. BURLING. From where?

Mr. MINAUDO. New Orleans.

Mr. BURLING. All right. When and under what circumstances?

Mr. MINAUDO. I come in 1924.

Mr. BURLING. All right, go on.

Mr. MINAUDO. February 1, 1924.

Mr. BURLING. Under what circumstances?

Mr. MINAUDO. I just came in on the boat, that's all.

Mr. BURLING. What kind of a passport did you have?

Mr. MINAUDO. I had no passport.

Mr. BURLING. How did you manage to get into the country?

Mr. MINAUDO. I come in here with a merchandise boat.

Mr. BURLING. You mean you were a sailor?

Mr. MINAUDO. That's right.

Mr. BURLING. And you jumped ship in New Orleans?

Mr. MINAUDO. That's right.

Mr. BURLING. And you are here illegally today?

Mr. MINAUDO. Well, no. I am not illegal today.

Mr. BURLING. Well, you never went out and came in legally, did you?

Mr. MINAUDO. No; but I legitimized myself.

Mr. BURLING. That doesn't make your entry legal.

Mr. MINAUDO. I think it does.

Mr. BURLING. Now, I wish to advise you that the commission of a murder outside of the territorial limits of the United States, except



on a United States vessel, is neither a Federal crime nor a State crime. How many murders have you committed outside of the United States?

Mr. MINAUDO. None.

Mr. BURLING. Have you ever been convicted of murder?

Mr. MINAUDO. None.

Mr. BURLING. Are you sure?

Mr. MINAUDO. Positive.

Mr. BURLING. Were you not convicted of murder in absentia, in the kingdom of Italy?

Mr. MINAUDO. Never.

Mr. BURLING. Have you ever been convicted in absentia of any other crimes in Italy?

Mr. MINAUDO. No, sir.

Mr. CHAIRMAN. The file of the Immigration and Naturalization Service here in Detroit indicates that the State Department had reported to it that this man was sentenced in absentia to life imprisonment on December 28, 1925, in Italy for murder; that he was sentenced in absentia May 5, 1927, for a term of 18 months in Italy for organized crime association and larceny, and once more on May 18, 1932, for 30 years for charges of attempted grand larceny, attempted murder, and copartnership in assault and theft. Do you deny those charges?

Mr. MINAUDO. Absolutely not. I left the old country in 1922. From 1918 until 1922 I was in the Italian Army. If I committed any murder in the old country, I think that the Italian Government don't want to keep me in the Army. I am sure of that.

Mr. BURLING. What is your correct name, by the way? What name are you baptized under?

Mr. MINAUDO. Well, I got both names—Nono Minaudo.

Mr. BURLING. That is your baptismal name?

Mr. MINAUDO. Yes.

Mr. BURLING. Did you use any aliases?

Mr. MINAUDO. Here, you mean?

Mr. BURLING. Ever?

Mr. MINAUDO. Yes; over here I did.

Mr. BURLING. Well, give them to us. Was it Polari?

Mr. MINAUDO. That is right.

Mr. BURLING. Tony Polari?

Mr. MINAUDO. I used to sell olive oil over here.

Mr. BURLING. How about Joe Mangiopani?

Mr. MINAUDO. That is right.

Mr. BURLING. You also called yourself Guiseppe Mangiopani?

Mr. MINAUDO. No, just Joe; that is what I give it.

Mr. BURLING. Now, you say you jumped ship in—

Mr. MINAUDO. New Orleans.

Mr. BURLING. Why did you state in the sworn statement to the Immigration Service, when you were first arrested as an illegal entrant, that you had entered the port of New York on the S. S. *Conte Rosso* on September 27, 1923? Did you so swear?

Mr. MINAUDO. Well, I don't remember if I was on it at that time when I told that.

Mr. BURLING. At any rate you told them that?

Mr. MINAUDO. I did.

Mr. BURLING. And that was false?

Mr. MINAUDO. Naturally; but a couple of years after that I went out and tell who I was, and I have registered under my own name.

Mr. BURLING. Have you ever stated that you landed in Boston?

Mr. MINAUDO. I don't remember if I did.

Mr. BURLING. You mean you have told some lies about your entry and you cannot remember when?

Mr. MINAUDO. Well, I never told any lie to anybody, sir. I don't remember if I tell—I remember I did come in New Orleans.

Mr. BURLING. You just submitted that you told them you came in New York. Which was it?

Mr. MINAUDO. Well, I don't say it wasn't true.

Mr. BURLING. Did you tell anybody that you came in in two different cities?

Mr. MINAUDO. I had a good reason. In 1922 when I say I came into New York—the reason was that the Congress at that time didn't pass yet where I could have been legally here in this country. Right after that the Congress passed a law that anybody that came in the States in 1924 before July 1, they can be legalized. That is the time I went to the Immigration and registered myself.

Mr. BURLING. Mr. Chairman, the law on that, I believe, is that one who comes in and one who has entered prior to some date in 1924 may not be deported. It does not mean he is legally in the country. He is not deportable.

Mr. MINAUDO. Either way, sir, that is what it was.

Mr. BURLING. In other words, you lied to the Immigration Service about the year you came in?

Mr. MINAUDO. Not the year.

The CHAIRMAN. The place?

Mr. BURLING. Year and place. Mr. Chairman, I believe the witness swore under oath to the Immigration Service that he entered in 1923.

Mr. MINAUDO. 1924, sir.

Mr. BURLING. No; that is when you did come in.

Mr. MINAUDO. That is what I told to the Immigration, more than once; not once.

Mr. BURLING. Mr. Chairman, the memorandum we have is that the subject was arrested at Detroit, Mich., September 8, 1932, at which time he gave his name as Guisepppe Mangiopani, and in a sworn statement claimed entry at the port of New York on September 27, 1923, which would put him before the 1924 date. In 1931 you were arrested by the Immigration Service and placed under bond to be deported; is that right?

Mr. MINAUDO. No, sir.

Mr. BURLING. You deny that?

Mr. MINAUDO. Absolutely, I do. The Immigration never put me on bond in 1931.

Mr. BURLING. Were you arrested at all and put under bond in 1931?

Mr. MINAUDO. Not 1931. This was 1932, when I gave the name of Mangiopani.

Mr. BURLING. You were arrested at that time?

Mr. MINAUDO. 1932—I wasn't arrested. They called me in. I went in.

Mr. BURLING. At that time you were deported; is that right?

Mr. MINAUDO. I don't remember whether I was or not.

Mr. BURLING. In some way you managed to be here still; is that right?

Mr. MINAUDO. Well, because I feel I am legally here today. I've got my papers already from the Immigration.

Mr. BURLING. Have you ever applied for citizenship?

Mr. MINAUDO. Yes. I am working on it right now for the last 6 months.

Mr. HALLEY. Have you actually filed papers?

Mr. MINAUDO. Yes; my attorney already put the papers to the Immigration.

Mr. HALLEY. When did you file?

Mr. MINAUDO. I don't remember when he did.

Mr. HALLEY. Was it before 1950?

Mr. MINAUDO. Yes, sir; 1950 was when we put it in.

Mr. HALLEY. Between 1924 and 1950, you never applied for citizenship?

Mr. MINAUDO. No, I never did.

Mr. BURLING. Have you ever been arrested in this country?

Mr. MINAUDO. I was arrested a couple of times, yes.

Mr. BURLING. In 1927 were you arrested on a charge of loitering near a house of prostitution?

Mr. MINAUDO. Well, I don't know what kind of a charge they gave to me, but I was delivering olive oil at that particular address.

Mr. BURLING. I see.

Mr. MINAUDO. The police come over when I did that, and bring me down.

Mr. BURLING. And the sentence was \$500 and 5 days in jail?

Mr. MINAUDO. There was no such a thing, not \$500, because I never put no \$500 in.

Mr. BURLING. Did you stay 5 days in jail?

Mr. MINAUDO. I never did.

Mr. BURLING. You had your police record removed and destroyed by court order, didn't you?

Mr. MINAUDO. Yes, sir, I did.

Mr. BURLING. Mr. Chairman, the official police record has been destroyed. However, I have an unofficial copy, which indicates that this witness was given a fine of \$500 and 5 days in jail on the charge stated.

Were you arrested for armed robbery in 1928?

Mr. MINAUDO. I don't remember, to tell you the truth.

Mr. BURLING. In 1932, were you arrested and discharged?

Mr. MINAUDO. I don't remember if I was. I remember I was arrested for investigation a couple of times.

Mr. BURLING. Were you arrested on a charge of armed robbery and found not guilty in 1935?

Mr. MINAUDO. I remember I did.

Mr. BURLING. Were you arrested on a charge of being a fugitive from a murder charge in 1936?

Mr. MINAUDO. No, sir.

Mr. BURLING. Were you ever arrested on a prohibition charge?

Mr. MINAUDO. No, sir.

Mr. BURLING. Mr. Chairman, the unofficial record indicates that if the police record had not been destroyed, it would have shown all such things.

Mr. MINAUDO. Will you repeat that?

Mr. BURLING. Yes. Your police record was destroyed. A copy of it, however, or a memorandum relating to it was not destroyed and was unofficially kept and it reflects all such charges.

Mr. MINAUDO. I wasn't arrested in 1936.

Mr. BURLING. You weren't?

Mr. MINAUDO. No. I was arrested in 1935.

Mr. BURLING. Were you ever arrested on a charge of being a fugitive from a murder charge?

Mr. MINAUDO. No, sir.

Mr. BURLING. You, of course, would remember it if you had been charged with murder?

Mr. MINAUDO. I suppose I would.

Mr. BURLING. But you don't remember?

Mr. MINAUDO. I never remember that there was a charge like that.

Mr. BURLING. What is your present occupation?

Mr. MINAUDO. I own a bowling alley.

Mr. BURLING. How about a bar?

Mr. MINAUDO. I haven't any.

Mr. BURLING. Is there a bar in the bowling alley?

Mr. MINAUDO. There is a bar in the bowling alley.

Mr. BURLING. But you don't own it?

Mr. MINAUDO. No.

Mr. BURLING. Is it in the same building?

Mr. MINAUDO. Yes.

Mr. BURLING. I see. How much is that bowling alley worth?

Mr. MINAUDO. Well, around \$40,000.

Mr. BURLING. And that is all yours?

Mr. MINAUDO. Yes, sir.

Mr. BURLING. You ran a saloon during the prohibition years?

Mr. MINAUDO. No, sir.

Mr. BURLING. What was your occupation in the twenties? What did you do?

Mr. MINAUDO. From 1924 to 1931 I used to import oil from the old country and sell it here. In the depression time I had to quit because you can't sell no oil. People had no money at that time. Then I went into the grocery business up until 1934. From 1934 to 1946 I was in the bar business.

Mr. BURLING. In 1941 you applied for a license to operate the De-Luxe Beer Distributors?

Mr. MINAUDO. Yes.

Mr. BURLING. And on that form you had to state whether you had ever been arrested, is that right?

Mr. MINAUDO. I couldn't tell you.

Mr. BURLING. You don't remember that?

Mr. MINAUDO. No.

Mr. BURLING. Don't you remember that you stated that you had never been arrested?

Mr. MINAUDO. Well, I had my file already removed.

Mr. BURLING. But you had been arrested, hadn't you?

Mr. MINAUDO. Well, even so, my file was removed. The record is clear.

Mr. BURLING. You thought it was all right to state under oath that you had never been arrested because the file was destroyed?

Mr. MINAUDO. That is correct.

Mr. BURLING. Did you have to swear to that application?

Mr. MINAUDO. I don't remember whether I had to or not.

Mr. HALLEY. Did you get a court order having your police record destroyed?

Mr. MINAUDO. Pardon?

Mr. HALLEY. Did you get some sort of a court order to get your police record destroyed?

Mr. MINAUDO. No, I just write a letter to the police department and had it removed.

Mr. HALLEY. How did you manage to do that?

Mr. MINAUDO. Well, that is the law.

Mr. HALLEY. Where?

Mr. MINAUDO. Here is the State of Michigan.

Mr. HALLEY. What is the basis on which you are able to get your police record destroyed?

Mr. MINAUDO. Pardon?

Mr. HALLEY. What is the basis on which you got your record destroyed?

Mr. MINAUDO. Well, I think anybody that is arrested just because somebody meets you on the street and no like your face and take you to the station and they book you as robbery armed, it doesn't look very good, when you go and be in a legitimate business. That is the basis on why I asked my file to be removed.

Mr. HALLEY. And, of course, it helped after that, if you wanted to ever deny you were arrested?

Mr. MINAUDO. I don't say it helped.

Mr. HALLEY. Well, it would be hard for somebody to prove that you were lying?

Mr. MINAUDO. That isn't the question whether it is hard to prove. It is a question if a man is arrested by mistake, either because a policeman thinks he is somebody else—I don't think in that case the man has any right to have any record in the police department.

Mr. HALLEY. When you applied for a liquor license, they wanted to know if you had ever been arrested?

Mr. MINAUDO. I never applied for a liquor license. I did apply for a salesman's permit.

Mr. HALLEY. Did you get the license?

Mr. MINAUDO. I got the license.

Mr. HALLEY. Were you asked on that whether you had ever been arrested?

Mr. MINAUDO. I don't remember if they did or not.

Mr. HALLEY. It is possible?

Mr. MINAUDO. It could be possible. I don't remember.

Mr. HALLEY. Did you ever advise the liquor authorities that you had a record of arrests?

Mr. MINAUDO. Well, I didn't have anything to do with the liquor.

Mr. HALLEY. When you applied for the salesman's permit?

Mr. MINAUDO. I went to the permit department to do that.

Mr. HALLEY. Of course, once your record had been destroyed, it wouldn't show up at the police department?

Mr. MINAUDO. That is right.

Mr. BURLING. A while back you operated the Wyoming Show Bar, is that right?

Mr. MINAUDO. That is right.

Mr. BURLING. And it was yours, wasn't it?

Mr. MINAUDO. It was mine and my wife's. My wife was on the license.

Mr. BURLING. Your wife was on the license?

Mr. MINAUDO. Yes, sir.

Mr. BURLING. Didn't you have two fronts named Anthony Ruggirello and Joseph Angiler?

Mr. MINAUDO. No, sir. I never had those people for my partners.

Mr. BURLING. Who are those people?

Mr. MINAUDO. Some Italian people who own a bowling alley.

Mr. BURLING. Now, wasn't the liquor license in their names?

Mr. MINAUDO. Where, on the Wyoming Show Bar?

Mr. BURLING. Yes, sir.

Mr. MINAUDO. No, sir. At the Wyoming Show Bar the license was on my wife's name.

Mr. BURLING. I see. How about the Florentine Garden Restaurant? Did you ever operate that?

Mr. MINAUDO. I never did. I worked there but I never had it.

Mr. BURLING. Now, did there come a time—what is your interest in this local 600 of the United Auto Workers?

Mr. MINAUDO. My interest?

Mr. BURLING. Yes.

Mr. MINAUDO. None.

Mr. BURLING. Why have you interfered in their elections?

Mr. MINAUDO. I did?

Mr. BURLING. Have you ever taken any part—

Mr. MINAUDO. I never did.

Mr. BURLING. Let me finish the question. Have you ever taken any part in the politics of local 600?

Mr. MINAUDO. I never did.

Mr. BURLING. By the way, what does local 600 cover?

Mr. MINAUDO. I think it is Ford.

Mr. BURLING. You said that you never gave any money to any candidates for officials of local 600.

Mr. MINAUDO. I never did, sir.

Mr. BURLING. Do you know any candidates of local 600?

Mr. MINAUDO. Today? No, I don't know.

Mr. BURLING. Going back, have you known any?

Mr. MINAUDO. How long?

Mr. BURLING. Going back 10 years.

Mr. MINAUDO. The only man I know was some Italian fellow, John Ritt.

Mr. BURLING. Did you give him any money?

Mr. MINAUDO. I never did give any money.

Mr. BURLING. Did you ask him to do anything with respect to local 600?

Mr. MINAUDO. I never. I never had nothing to do with that.

Mr. BURLING. Do you know Harry Bennett?

Mr. MINAUDO. I know of him. I read in the papers to know his face.

Mr. BURLING. You never met him.

Mr. MINAUDO. I never talked to him in my life.

Mr. BURLING. You never met him?

Mr. MINAUDO. I never talked to the man.

Mr. BURLING. Is it not the fact that during a meeting of the negotiating committee of the UAW delegate body representing all Ford locals, you rented rooms in the hotels in which these meetings were held, and gave out liquor and sought to influence members of the UAW?

Mr. MINAUDO. I did not.

Mr. BURLING. Isn't that the fact?

Mr. MINAUDO. No, sir.

Mr. BURLING. Did you have anything to do with—

Mr. MINAUDO. No, sir. I never was interested in the union whatsoever, no time. I never asked for any favors and never they give me one.

Mr. BURLING. That shows that you should wait until I have asked the question. Did you have anything to do with the Murphy Show Bar?

Mr. MINAUDO. No, sir.

Mr. BURLING. Do you know Paul St. Marie?

Mr. MINAUDO. I used to know him; yes.

Mr. BURLING. What were your relations with him?

Mr. MINAUDO. Not a thing at all. He just come over and asked me what it was worth.

Mr. BURLING. You never discussed your union affairs with him?

Mr. MINAUDO. Never.

Mr. BURLING. Do you know Joe Bommarito?

Mr. MINAUDO. I heard about him.

Mr. BURLING. Do you know him?

Mr. MINAUDO. No.

Mr. BURLING. Have you met Pete Licavoli?

Mr. MINAUDO. I met him a couple of times.

Mr. BURLING. Do you know Pete Corrado?

Mr. MINAUDO. I met him a couple of times somewhere, or a thing like that. I don't know anything about it.

Mr. BURLING. I have no further questions.

The CHAIRMAN. That is all.

Mr. BURLING. Just a minute, Mr. Chairman.

The CHAIRMAN. Is Agent Mosser from the Immigration Service here? That is all.

(Witness excused.)

# **TESTIMONY OF ANDREW MOSSER, PATROLMAN INSPECTOR IN CHARGE, UNITED STATES IMMIGRATION AND NATURALIZATION SERVICE, DETROIT, MICH.**

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MOSSER. I do.

The CHAIRMAN. Will you state your full name?

Mr. MOSSER. Andrew Mosser.

The CHAIRMAN. Mr. Mosser, you are connected with the Immigration Service?

Mr. MOSSER. Yes.

The CHAIRMAN. In what capacity?

Mr. MOSSER. Patrolman inspector in charge.

Mr. BURLING. Mr. Mosser, is it your duty to supervise the keeping of files on aliens illegally in the United States in this district?

Mr. MOSSER. No, sir.

Mr. BURLING. Are you familiar with the files?

Mr. MOSSER. I am familiar with the files; yes.

Mr. BURLING. Have you, at the request of the committee, brought memoranda with you which would tell what the record is, with respect to convictions, for an alien by the name of Nono Minaudo?

Mr. MOSSER. Yes; I have a short memorandum on him.

Mr. BURLING. Does that come from the files of the Immigration and Naturalization Service?

Mr. MOSSER. Yes.

Mr. BURLING. Will you read the memorandum into the record, please?

Mr. MOSSER. The memorandum that I have prepared concerns Nono Minaudo, residence, 17418 Monica, Detroit, Mich.; 50 years, 5 feet 8 inches in height, 170 pounds, hazel eyes, and brown hair; wife, Johanna Bommarito, and has United States-born children, names unknown.

The files of the Immigration and Naturalization office at Detroit show that his correct name is Onafrio Minaudo, alias Joe Mangiopani, alias Giuseppe Mangiopani, alias Tony Palorai or Palaria, alias Onofrio Minardo. His file number is 8517/2833; 7011/A865G; 55821/976; 9280/913; 3511.537; 1000/3095. Subject first came to the attention of this Service through the acting Italian vice consul, July 29, 1925, who advised that subject had entered the United States illegally and was wanted for first-degree murder in Italy. Subject was arrested at Detroit, Mich., September 8, 1932, at which time he gave his name as Giuseppe Mangiapane, and in a sworn statement claimed entry at the port of New York on September 27, 1923, on the S. S. *Conte Rosso*, at which time he was legally admitted and charged to the quota of Italy. On the basis of this statement, an entry for a person of that name was verified at the port of New York. The charge contained in the warrant of arrest—to wit: "That he was not in possession of consular immigration visa at the time of his entry into the United States as required by the act approved May 26, 1924"—was not sustained in a later hearing, and the warrant of arrest was canceled.

On June 11, 1935, George G. Sadowski, Member of Congress, inquired of this Service as to subject's immigration status. Congressman Sadowski was informed by this Service that the subject case was not before the Detroit office at that time.

Subject was again arrested at Detroit, Mich., date unknown, but believed to be on or about July 12, 1935, at which time a statement was taken from him. He admitted at that time that in his previous statement he had used the alias Giuseppe Mangiocani, the name of a man well known to him who had effected a lawful entry at the port of New York on September 27, 1933. He admitted in one statement that he had landed as a stowaway or workaway from an unknown ship at the



port of Boston, Mass., on March 2, 1924, while in another statement he claimed that he had entered the United States the first part of February 1924 at the port of Boston, Mass., as a member of the crew of an unknown ship.

His first arrest occurred in Detroit, through the Detroit Police Department (Detroit Police Department file No. 23088) as Tony Palari, August 15, 1924, on a charge of robbery armed, which was discharged.

This case was referred to the central office on July 15, 1936, questioning whether a warrant of arrest for the subject could be obtained, based upon the evidence submitted by the State Department that the subject was sentenced to life imprisonment, in absentia, December 28, 1925, for murder in Italy; again sentenced, in absentia, May 5, 1927, to a term of 18 months for organized crime association and larceny; and again sentenced, in absentia, May 18, 1932, to 30 years for charges of attempted grand larceny, attempted murder, and copartnership in assault and theft; moreover, that extradition proceedings were being carried on.

The central office, through inference, declined to commit itself and suggested that a further statement be taken from subject to determine if he would admit that he had been out of the United States subsequent to July 1, 1924, or that he would admit the commission of crimes to which he was charged.

It appears from the file that the alien was not further questioned along the lines suggested, and said file was marked "Closed."

Remarks: This alien registered under the Alien Registration Act of 1940 under the name Nono Minaudo (No. 4480966). His residence at that time was 14288 Cherrylawn, Detroit, Mich.

This man was wanted for murder and other crimes in Italy. Whether he is still wanted or not is not known, nor is it known if the Italian authorities are still desirous of extraditing him.

Mr. BURLING. Mr. Mosser, as I understand it, the reason that the first deportation proceeding did not go through was that he was arrested in one district and that he gave the name of an immigrant who entered lawfully at the Immigration Service, who sent the name from the first district to the port of entry, where the lawful immigrant entered, and all they had to do was check to see that such a man with such a name had come in as claimed, and report back, and that is all that there was to it.

Mr. MOSSER. That is correct.

The CHAIRMAN. Mr. Mosser, it certainly is difficult to sit patiently, without any criticism of you individually, but certainly with criticism of the Service, because this certainly seems to be not only a miscarriage of justice but a glaring instance of how our immigration laws have been flouted. It certainly is a sad commentary, it seems to me, that a man can come into this country illegally, can remain here 27 years, be arrested on a number of occasions and virtually be a public enemy, and still be allowed to be here and to enjoy all the privileges of American citizenship, when he came in originally and when he has shown himself unworthy since being here of remaining here. It is quite difficult for us to understand how that can be, particularly when we, in Congress, have had so many complaints and so many demands for worthy people to come from abroad and who are kept out of this country because they are told there is no place in the United States for them.

People who would come here, who are deserving immigrants. Yet, such a person as this one is allowed to be here illegally all that time.

For example, in our fight for liberalization of the displaced-persons law, just in the past year or two, we were confronted at every turn with the fact that we cannot bring worthy people in here, people who have shown a desire to come to a land of liberty and democracy, simply because the country was already overrun by illegal aliens. It certainly seems to me to be a terrible fault on the part of some of the authorities. I want to make it very plain that I am not, of course, directing this to you or the present, but I am speaking about the past years that has allowed such a condition as this to exist.

Mr. MOSSER. The file discloses that this man is not deportable under any law of the United States at the present time.

Mr. HALLEY. For the record, Mr. Chairman, as you know, our investigation shows that in recent years the Immigration Service has been most zealous in searching out these immigrants and in learning the facts about them and in making every effort to bring to the attention particularly of this committee those who, like this immediate case before you, should be deported.

The CHAIRMAN. That is correct. I quite agree with that. My only point is: It would not have been necessary to have the case brought forward if authorities years ago had been vigilant and had done their duty.

Mr. MOSSER. Well, it wasn't the fault of the inspector, Senator, because he was in possession of knowledge of a man who had come to this country legally and in a legal manner and was here legally. He knew that man, and that man's background, according to the files, and that information was furnished to our inspectors, and it was checked and they found a man such as he described.

Mr. BURLING. Was anything checked other than the fact that a man named Mangiopani had entered on a given boat at a given port on a given date? Was anything further checked?

Mr. MOSSER. I am not in position to state.

Mr. BURLING. His file would show it?

Mr. MOSSER. No; the file doesn't show it.

Mr. BURLING. It would not be very difficult—would it?—for an alien illegally here in one district to obtain the name of some friend that had come in legally at a port and to assume his name, if nothing is checked except boat, port of entry, and name and date?

Mr. MOSSER. In those years, I think that would be true; yes, sir.

Mr. BURLING. In other words, there was a hole back there in those years which we hope has been plugged. Is that right?

Mr. MOSSER. Well, that was before I was in the Service. I wouldn't be able to state.

Mr. BURLING. It would appear that way; would it not?

Mr. MOSSER. I would say if a man had all the information the immigrant inspector would ask of an alien, and we would check that information that he gave, and if it came out right, why, the case would be dropped.

The CHAIRMAN. Thank you very much.

We will take a short recess at this time.

(Short recess.)

The CHAIRMAN. Will the hearing please come to order?

I call to the stand Max Zivian. Is Max Zivian here?

Mr. BURLING. Mr. Chairman, we called Mr. Zivian shortly after lunch and told him to be here at 3 o'clock. He or his lawyer said he would.

The CHAIRMAN. Will counsel, with the staff of the committee, take steps to have him notified that he will testify this evening?

Mr. BURLING. We will undertake to do that.

The CHAIRMAN. Will Sam Perrone take the stand?

### TESTIMONY OF SAM PERRONE, DETROIT, MICH.

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PERRONE. I do.

The CHAIRMAN. What is your name?

Mr. PERRONE. Sam Perrone.

The CHAIRMAN. What is your address?

Mr. PERRONE. 1161 Berkshire.

The CHAIRMAN. How long have you lived there?

Mr. PERRONE. Around 4 years.

The CHAIRMAN. Where did you live before that?

Mr. PERRONE. Beaconsfield.

The CHAIRMAN. What is your occupation?

Mr. PERRONE. Coremaker.

The CHAIRMAN. Now, I have to ask you at the outset to talk distinctly and loudly so the stenographer and everybody else can hear you.

Counsel, will you proceed?

Mr. BURLING. Where did you say you lived?

Mr. PERRONE. 1161 Berkshire.

Mr. BURLING. You are a coremaker?

Mr. PERRONE. I am a coremaker. I used to be a coremaker.

Mr. BURLING. Now you are a trucker?

Mr. PERRONE. Yes.

Mr. BURLING. Is this a photograph of your house?

Mr. PERRONE. Yes, sir.

Mr. BURLING. Mr. Chairman, for the purpose of illustrating the economic status of the witness, I ask that the photograph be put in evidence.

The CHAIRMAN. It will be admitted in evidence.

(The document identified was thereupon received in evidence as exhibit No. 10, and appears in the appendix on p. 270.)

Mr. BURLING. Where were you born?

Mr. PERRONE. Italy.

Mr. BURLING. Where?

Mr. PERRONE. Alcom.

The CHAIRMAN. What is the value of your house? How much is it worth?

Mr. PERRONE. I paid \$31,000.

Mr. HALLEY. When did you buy it?

Mr. PERRONE. Around 3 or 4 years ago. I don't remember. It was at least 3 or 4 years ago.

Mr. BURLING. Will you state again where you were born?

Mr. PERRONE. Italy.

Mr. BURLING. Whereabouts in Italy?

Mr. PERRONE. Alcom.

Mr. BURLING. Where is that?

Mr. PERRONE. Sicily.

Mr. BURLING. When did you come to the United States?

Mr. PERRONE. Around 1912.

Mr. BURLING. You are naturalized?

Mr. PERRONE. Yes, sir.

Mr. BURLING. Is it correct that you have been either working for or associated with the Detroit (Mich.) Stove Works for about 40 years?

Mr. PERRONE. I have been working, sure.

Mr. BURLING. For the stove works?

Mr. PERRONE. I have been working for the stove works.

Mr. BURLING. For about 40 years?

Mr. PERRONE. Yes, sir.

Mr. BURLING. Is that about the largest plant in Detroit which is not associated with the automobile industry? Do you know?

Mr. PERRONE. I don't know nothing.

Mr. BURLING. You don't "know nothing"?

Mr. PERRONE. I don't know.

Mr. BURLING. In order that the witness's testimony may be intelligible, Mr. Chairman, may I state for the record that it is my understanding that this works is the largest nonautomotive works in Detroit. I may be wrong, but that is my understanding.

Now, when did you learn to read and write?

Mr. PERRONE. I learned in the old country.

Mr. BURLING. In the old country?

Mr. PERRONE. That is right.

Mr. BURLING. Can you read and write today?

Mr. PERRONE. No, I can't read or write much English; a little bit.

Mr. BURLING. I see. Well, you can write a check for example?

Mr. PERRONE. No, I can't.

Mr. BURLING. You cannot?

Mr. PERRONE. No. I can sign, that is all.

Mr. BURLING. You don't even sign your checks, do you, Mr. Perrone?

Mr. PERRONE. Sometimes I do. Sometimes my son-in-law do it.

Mr. BURLING. Mostly your son-in-law signs your name to your checks?

Mr. PERRONE. That is right.

Mr. BURLING. Do you have a police record?

Mr. PERRONE. Well——

Mr. BURLING. What is the answer, Mr. Perrone?

Mr. PERRONE. Yes; I have been arrested a few times.

Mr. BURLING. How many times, do you think?

Mr. PERRONE. I don't remember.

Mr. BURLING. Well, were you arrested in 1920 on the charge of murder? Surely, you remember whether you were arrested on a charge of murder.

Mr. PERRONE. I remember I was arrested.

Mr. BURLING. Do you mean you do not know whether you were arrested in 1920 on a charge of murder?

Mr. PERRONE. The next day they let you out—they arrest me first. They see a young fellow in the pool room and take you in.

Mr. BURLING. So they charged you with murder because you were in a poolroom? And is that the way you saw the Detroit police operate?

Mr. PERRONE. That is the way they used to do it then.

Mr. BURLING. Well, were you arrested in 1930 on a charge of prohibition violation?

Mr. PERRONE. That is right. I was arrested.

Mr. BURLING. And two different charges in 1930 on prohibition?

Mr. PERRONE. I don't know.

Mr. BURLING. Do you remember that once the Detroit police arrested you, and the other time you were turned over to the United States marshal? And do you remember being locked up by the United States marshal?

Mr. PERRONE. I don't remember 20 years ago.

Mr. BURLING. Well, how about being arrested in 1931 on the charge of investigation of arson?

Mr. PERRONE. I don't remember that.

Mr. BURLING. Were you arrested in 1932 on a charge of investigation?

Mr. PERRONE. I must have been arrested.

Mr. BURLING. As to the 1933 investigation of arson, how about that?

Mr. PERRONE. Arson? Somebody burned my garage, and they come over and arrested me, and turned me loose.

Mr. BURLING. You remember you were arrested?

Mr. PERRONE. Yes; for my garage.

Mr. BURLING. In 1934, there was a charge of carrying concealed weapons?

Mr. PERRONE. I never was arrested for concealed weapons.

Mr. BURLING. Never? We will come to that on another occasion.

In 1935, it was the failure to stop at the scene of an accident, and were you arrested for that?

Mr. PERRONE. An accident?

Mr. BURLING. Leaving the scene of an accident?

Mr. PERRONE. That is right.

Mr. BURLING. Now, as to 1936, will you look around this courtroom, and do the walls look familiar to you? Did you get a 6-year rap in 1936 on a prohibition charge from Judge Lederle?

Mr. PERRONE. That is right.

Mr. BURLING. Then you were in jail for a while, and then you were arrested for concealed weapons in 1942?

Mr. PERRONE. I've never been arrested for concealed weapons. 1942?

Mr. BURLING. Yes, in 1942.

Mr. PERRONE. I've never been arrested for concealed weapons.

Mr. BURLING. Are you going to state under oath you were not arrested in connection with the charge of possessing concealed weapons in 1942?

Mr. PERRONE. I've never been arrested for concealed weapons in 1942.

Mr. BURLING. Tell us what you know about the possession of concealed weapons in 1942, that you and your two brothers were investigated for. Think hard.

Mr. PERRONE. I never was arrested for concealed weapons. I never had a concealed weapon in my pocket.

Mr. BURLING. Can you think about a locker?

Mr. PERRONE. Oh, in a locker? Now you talk different.

Mr. BURLING. Tell us about that.

Mr. PERRONE. Well, I was arrested and I was freed by the FBI. You know, they know it wasn't my gun.

Mr. BURLING. Gun or guns?

Mr. PERRONE. Guns—I was freed by the FBI. They find out they are not my guns. I was arrested, sure. I was arrested carrying a concealed weapon in my pocket.

Mr. BURLING. Your brother took the rap on that; is that right?

Mr. PERRONE. It was his gun.

Mr. BURLING. What brother was that?

Mr. PERRONE. Matthew Perrone.

Mr. BURLING. Were you arrested again in 1945?

Mr. PERRONE. 1945?

Mr. BURLING. Yes, October 17, 1945, and turned over to the Oakland County sheriff?

Mr. PERRONE. That is right.

Mr. BURLING. What for?

Mr. PERRONE. Well, a woman was killed.

Mr. BURLING. A woman was killed?

Mr. PERRONE. Is it not a fact she had on her body a note saying if anything happened to her, to ask you about it?

Mr. PERRONE. I don't know a thing about it.

Mr. BURLING. Did you ever hear that there was any note bearing your name found on her body?

Mr. PERRONE. I've never known a thing about it.

Mr. BURLING. Did you put the note there? Did you ever hear about it?

Mr. PERRONE. I don't know a thing about it.

Mr. BURLING. You have heard about it; have you not?

Mr. PERRONE. Well, everybody heard about it.

Mr. BURLING. Tell us what you know about it.

Mr. PERRONE. I don't know nothing about it.

Mr. BURLING. Now, when you started out with the stove works, you worked as a manual laborer; is that right?

Mr. PERRONE. That is right.

Mr. BURLING. You kept on as a coremaker?

Mr. PERRONE. Coremaker; that's right.

Mr. BURLING. How much were you paid as a coremaker?

Mr. PERRONE. I was making as high as twenty-two or twenty-three—\$18 a day.

Mr. BURLING. Did there come a time when you went into the trucking business?

Mr. PERRONE. That is right.

Mr. BURLING. You got, in the agreement with the stove works, the right to haul their scrap out; is that right?

Mr. PERRONE. That is right.

Mr. BURLING. Now, at that time did you have a truck?

Mr. PERRONE. Sure, I had a truck.

Mr. BURLING. How many trucks did you have?

Mr. PERRONE. About three.

Mr. BURLING. Did you have a yard?

Mr. PERRONE. No.

Mr. BURLING. Did you have any experience in the scrap business?

Mr. PERRONE. Well, somebody give me experience.

Mr. BURLING. Who gave you experience?

Mr. PERRONE. I ask people where they sell the stuff.

Mr. BURLING. You were a manual laborer, with three trucks and no experience, and who could not read and write English; is that right?

Mr. PERRONE. Well, I could read a little bit.

Mr. BURLING. Did you not testify before Judge Murphy you could not even read the signs going through the streets?

Mr. PERRONE. No, I never did.

Mr. BURLING. We will make a note and come back to that.

Mr. BURLING. You did testify before Judge Murphy; didn't you?

Mr. PERRONE. Yes.

Mr. BURLING. You testified at quite some length.

Mr. PERRONE. I didn't say I can't read streets.

Mr. BURLING. Can you read an English language newspaper?

Mr. PERRONE. I read a few words. Some works, I can't.

Mr. BURLING. Now, how did it happen that you got the arrangement to haul the scrap out of the stove works?

Mr. PERRONE. Well, I figured I could make some money. I tried to go into business.

Mr. BURLING. What was it that equipped you in engaging in this business?

Mr. PERRONE. I had some people that were doing the business telling me. "If you pick up scrap and sell it, you make money."

Mr. BURLING. I am not asking you as to what motivated your going into business. I am trying to find out what motivated the stove works to go into business with you. Does it seem surprising to you that a man with so little education that he can't read and write, and almost no capital and no experience in business, and no yard, and a long criminal record be given a scrap haul-away contract worth in the hundreds of thousands of dollars?

Mr. PERRONE. No. That time only make \$1 a ton profit—\$4 a ton.

Mr. BURLING. How many tons of scrap were hauled out of the stove works at that time?

Mr. PERRONE. Maybe 10 ton, 5 ton; I don't know.

Mr. BURLING. Ten tons a day; is that right?

Mr. PERRONE. That time, there wasn't much.

Mr. BURLING. A little bit larger than that; wasn't it?

Mr. PERRONE. What?

Mr. BURLING. A little bit bigger than that; wasn't it?

Mr. PERRONE. I don't remember that.

Mr. BURLING. The business has made you a rich man; hasn't it?

Mr. PERRONE. I am not a rich man.

Mr. BURLING. You are not a rich man? Isn't it the fact that your income for the past 3 years has run about \$40,000 a year?

Mr. PERRONE. That's right.

Mr. BURLING. You have loaned your son-in-law, Orlando, money to put into the Hazel Park Race Track?

Mr. PERRONE. That's right.

Mr. BURLING. So that the scrap haul-away turned out pretty profitable as a venture; didn't it?

Mr. PERRONE. When I started and now is different.

Mr. BURLING. And your income in 1948 was \$65,000; right?

Mr. PERRONE. If that is in there, that's right.

Mr. BURLING. Now, you didn't get this contract in relation to any labor situations; did you? In fact, you told me in my office, did you not, that the Detroit Stove Works had never had any labor trouble?

Mr. PERRONE. I never remember any labor trouble.

Mr. BURLING. You have been there 40 years, and you have never heard of any labor trouble at Detroit Stove Works?

Mr. PERRONE. No.

Mr. BURLING. Not at all? Not a single person beaten up; no blood?

Mr. PERRONE. I never seed nothing.

Mr. BURLING. You never heard of any?

Mr. PERRONE. I never heard of any.

Mr. BURLING. You take your oath that you never heard of any labor trouble in the 40 years you have been with the stove works?

Mr. PERRONE. I never heard of no trouble.

Mr. BURLING. And you didn't arrange with the stove works to beat up any union organizers, I suppose?

Mr. PERRONE. No, sir.

Mr. BURLING. The contract wasn't given to you in return for your supplying goons?

Mr. PERRONE. No, sir.

Mr. BURLING. And in 1937, as you have already testified, you were given a sentence of 6 years' imprisonment; is that right?

Mr. PERRONE. That is right.

Mr. BURLING. What happened to the scrap haulage while you were in jail?

Mr. PERRONE. My wife was taking care of it.

Mr. BURLING. What experience did she have in the scrap haulage business?

Mr. PERRONE. We had a man working—a man to just haul them, you know; take them to the yard, you know.

Mr. BURLING. The stove works didn't think it would be a good idea to take it away from you when you got this long prison sentence?

Mr. PERRONE. Well, I worked all my life over there. It's a good thing they didn't take it away.

Mr. BURLING. How long did you serve?

Mr. PERRONE. Three years.

Mr. BURLING. When did you get out?

Mr. PERRONE. 1939.

Mr. BURLING. 1939?

Mr. PERRONE. That's right. They gave me a parole.

Mr. BURLING. You were paroled at that time?

Mr. PERRONE. That's right.

Mr. BURLING. Is it the fact that while you were in jail, the CIO organized the stove works?

Mr. PERRONE. I don't know anything about it.

Mr. BURLING. You don't know anything about that?

Mr. PERRONE. No.

Mr. BURLING. You never heard that story told to you?

Mr. PERRONE. No.



Mr. BURLING. Do you talk to other people at the stove works?

Mr. PERRONE. For what?

Mr. BURLING. About anything. Do you pass the time of day?

Mr. PERRONE. I never talk to anybody.

Mr. BURLING. You never talk to anybody at the stove works?

Mr. PERRONE. Well, I talk to somebody, you know, "hello," "how are you," "how do you feel," and stuff like that.

Mr. BURLING. But you never talked about stuff like the CIO coming in while you were in jail? You never heard that?

Mr. PERRONE. I never heard of anything. That's none of my business.

Mr. BURLING. I didn't ask you whether it was your business. I asked whether you heard of it.

Mr. PERRONE. I never heard of it.

Mr. BURLING. By the way, you've got a brother, Gasper, is that right?

Mr. PERRONE. That's right.

Mr. BURLING. And he is in the stove works too?

Mr. PERRONE. He is in the stove works.

Mr. BURLING. And he went to jail with you, the same charge, same sentence?

Mr. PERRONE. Yes.

Mr. BURLING. He served that at Leavenworth?

Mr. PERRONE. That's right.

Mr. BURLING. After he got out, he went back to the stove works too?

Mr. PERRONE. We both went back.

Mr. BURLING. Mr. Chairman, we now have obtained the minutes of Judge Murphy's grand jury hearing, and we are looking through to see if we can find the testimony that I earlier referred to.

Mr. PERRONE. I don't remember what I said—I can read a sign, you know. I can't read much, you know——

The CHAIRMAN. All right. Next question.

Mr. BURLING. Do you have a son-in-law who is Angelo Meli's son?

Mr. PERRONE. That's right.

Mr. BURLING. And you have another son-in-law named Orlando?

Mr. PERRONE. Yes, sir.

Mr. BURLING. And you have another son-in-law named Renda? Is that right?

Mr. PERRONE. That's right.

Mr. BURLING. Do you know Angelo Meli?

Mr. PERRONE. Yes, sir.

Mr. BURLING. How long have you known him?

Mr. PERRONE. Oh, about a long time.

Mr. BURLING. What business is he in?

Mr. PERRONE. I don't know. He's got a farm, I guess.

Mr. BURLING. You guess he's got a farm?

Mr. PERRONE. Yes.

Mr. BURLING. Did you ever hear he was in the juke box racket?

Mr. PERRONE. No.

Mr. BURLING. You never heard he had any relation to juke boxes?

Mr. PERRONE. No.

Mr. BURLING. Now, Orlando, your son-in-law, handles your checking account; is that correct?

Mr. PERRONE. That's right.

Mr. BURLING. And he draws very large sums in cash, does he?

Mr. PERRONE. What?

Mr. BURLING. He draws very large sums in cash, does he not?

Mr. PERRONE. Cash?

Mr. BURLING. You know, currency.

Mr. PERRONE. Oh, yes.

Mr. BURLING. Currency means money, dollar bills, \$10 bills, \$100 bills.

Mr. PERRONE. \$20,000?

Mr. BURLING. Yes. Would you like to see the check?

You don't recall any occasion on which your son-in-law drew a check for \$20,000?

Mr. PERRONE. I give it to him.

Mr. BURLING. You gave your son-in-law \$20,000?

Mr. PERRONE. Yes. I gave him that when he bought the stock.

Mr. BURLING. Did you give him \$30,000?

Mr. PERRONE. Yes, in cash.

Mr. BURLING. Now, why did you give it to him in cash?

Mr. PERRONE. Because I had it in cash.

Mr. BURLING. You keep a box with a lot of cash in it at your house, do you?

Mr. PERRONE. I used to do that.

Mr. BURLING. How much cash?

Mr. PERRONE. Well, all I had.

Mr. BURLING. \$50,000?

Mr. PERRONE. No, I had only \$30,000; \$20,000 I had in the bank.

Mr. BURLING. But you gave—Now, you didn't invest in Hazel Park yourself, did you?

Mr. PERRONE. No, sir.

Mr. BURLING. In fact, you told me that you knew that you couldn't make any money in that kind of business?

Mr. PERRONE. I don't believe there was any money in it. He said, "Leave me try." He didn't understand, and I lent him the money and said, "Go ahead and do what you want to do." That was his business.

Mr. BURLING. You told me that you didn't believe that Hazel Park would make money and you didn't want to invest in it?

Mr. PERRONE. I didn't want to.

Mr. BURLING. That is what you told me in my room?

Mr. PERRONE. That is right.

Mr. BURLING. That it won't make any money?

Mr. PERRONE. That I don't know. For my part, I don't understand the business.

Mr. BURLING. How old is Orlando?

Mr. PERRONE. Twenty-six.

Mr. BURLING. So he was 24 or 25 when you loaned him the money?

Mr. PERRONE. Something like that.

Mr. BURLING. So, although you thought that Hazel Park would not make any money——

Mr. PERRONE. I don't understand that business.

Mr. BURLING. Just a moment. I want to finish my question. Although you thought Hazel Park wouldn't make money, that it was not a business that you would have anything to do with, you loaned your 24-year-old son-in-law \$50,000 to invest in it, is that right?

Mr. PERRONE. Invest in it for himself.

Mr. BURLING. Does that make any sense to you?

Mr. PERRONE. Why?

Mr. BURLING. Why would you lend a 24-year-old boy \$50,000, your son-in-law, to invest in a business which you thought was a sure loser?

Mr. PERRONE. I didn't think it was going to lose. I said I wasn't interested.

Mr. BURLING. You told me, and you just testified a moment ago that you thought that it would not make any money.

Mr. PERRONE. I didn't say it wouldn't make any money. I figured there wasn't any money to make in it. He figured that he could make some money in it.

Mr. BURLING. How could he make any more money buying Hazel Park stock than you could?

Mr. PERRONE. I am not interested in the business.

Mr. BURLING. All right. Now, at the same time that you gave Orlando \$50,000 to invest in this business, Carl Renda loaned him \$35,000 to put in, is that right?

Mr. PERRONE. To who?

Mr. BURLING. To Orlando.

Mr. PERRONE. I don't know a thing about that.

Mr. BURLING. Have you forgotten that you told me that in my room?

Mr. PERRONE. No, I said his brother-in-law lent him some more money. I didn't say Carl Renda. I didn't say such a thing.

Mr. BURLING. Excuse me, but you did.

Mr. PERRONE. No, I didn't.

Mr. BURLING. You deny that you told me in my office that Carl Renda put up another \$35,000?

Mr. PERRONE. I don't say such a thing. I say lent him \$50,000; the rest, where he got them, the brother-in-law lend him.

Mr. BURLING. You did not tell me it was Renda?

Mr. PERRONE. He don't ask me Mr. Renda.

Mr. BURLING. Mr. Chairman, my recollection is that I did ask him and that he did tell me it was from Renda.

Mr. PERRONE. You didn't ask me Renda. I said brother-in-law lend him the rest; whatever he lend him, \$10,000, \$30,000, or \$50,000, I don't know.

Mr. BURLING. What brother-in-law are you talking about?

Mr. PERRONE. Brother-in-law of Tino, of Orlando, is Carl Renda.

Mr. BURLING. Carl Renda is Orlando's brother-in-law?

Mr. PERRONE. Yes.

Mr. BURLING. Then we are, in fact, talking about Renda?

Mr. PERRONE. That's right. You don't ask me the day I talk to you if it Carl Renda, or did Carl Renda lend him the money.

Mr. BURLING. It was Carl Renda.

Mr. PERRONE. It was Carl Renda, but I say brother-in-law lend him the rest.

Mr. BURLING. Then the difference in our recollection is merely whether I asked you the fact that it is a fact that Carl Renda loaned him \$35,000 or \$30,000?

Mr. PERRONE. I don't know how much he loaned.

Mr. BURLING. Do you deny you told me it was \$35,000?

Mr. PERRONE. I never say \$35,000, because I don't know how much he lend.

Mr. BURLING. By the way, how many Cadillacs do you own?

Mr. PERRONE. Two.

Mr. BURLING. Do you have any other cars?

Mr. PERRONE. I got a Ford car, too.

Mr. BURLING. Do you carry a gun?

Mr. PERRONE. Yes.

Mr. BURLING. Have you got it on you?

Mr. PERRONE. No.

Mr. BURLING. Why do you carry a gun?

Mr. PERRONE. Because I carry money.

Mr. BURLING. Why do you carry so much money in cash?

Mr. PERRONE. I got to pay my men.

Mr. BURLING. How many men do you have working for you?

Mr. PERRONE. About 15 or 16, around there.

Mr. BURLING. Can you tell us approximately what your net worth is? Do you understand that term?

Mr. PERRONE. What term?

Mr. BURLING. The term, how much money you are worth. How much money have you got? What is the value of your business and your house and the cash you have in the box and in your bank account and your cars? What are you worth?

Mr. PERRONE. Well, I don't know.

Mr. BURLING. Approximately?

Mr. PERRONE. I don't know.

Mr. BURLING. Is it \$200,000?

Mr. PERRONE. No.

Mr. BURLING. Is it \$100,000?

Mr. PERRONE. I don't know. I will have to figure it out.

Mr. BURLING. Of course, you will have to figure it out to get it to the last cent, but I am asking you roughly.

Mr. PERRONE. I don't know how much money I got in the bank. I don't know how much worth is everything I have.

Mr. BURLING. How much money do you have in your strongbox in the house today?

Mr. PERRONE. I don't got no money in the house.

Mr. BURLING. Mr. Chairman, the testimony I have reference to in Judge Murphy's record starts at page 3676:

The Court: You moved over to Beaconsfield.

Answer. Yes.

The Court. That number is what?

Answer. No. 869. I got another home on Townsend, you know.

The Court. No. 869 is near what side street?

Answer. I don't know the street, you know.

The Court. Don't you know the street nearest to you?

Answer. It is hard for me to say the name of the street.

I never look at the corner of the street.

(By Mr. Garber:)

Question. You have been living there 2½ years?

Answer. Yes.

Then there is something which is obviously a misprint, and the answer:

Answer. I can't read the street—some street, like you say, Canton, Concord, it's just like Italian, I could remember.

Mr. PERRONE. Some street I can't read.

Mr. BURLING. Just a minute. I am reading this into the record. Then the court said that "This is off the record."

(By Mr. Garber:)

Question. Do you drive a truck?

Answer. Sure.

Question. How do you find your way around town if you drive a truck and can't read the streets?

Answer. Well, I ask the people if I can't read the streets.

Question. Did you ever ask the people what cross street is near your house?

Answer. I never bothered. I know I go down Jefferson Avenue, go right home.

Does that refresh your recollection, Mr. Perrone, that you told Judge Murphy you couldn't read street signs?

Mr. PERRONE. Some streets I can't read; some I can.

Mr. BURLING. If it is an easy word, you can read it?

Mr. PERRONE. These words like Italian, I can read; some letters I can't read it. See? That's as what I told him.

Mr. BURLING. You never have talked—by the way, who is the president of the Michigan Stove Works?

Mr. PERRONE. Mr. Fry.

Mr. BURLING. Have you ever talked to him about labor problems of any sort?

Mr. PERRONE. Never.

Mr. BURLING. Have you ever talked to anyone associated with the Detroit, Mich., Stove Works about labor problems?

Mr. PERRONE. I never talked to nobody, and nobody talked to me.

Mr. BURLING. Have you ever taken part in any labor activities at the stove works?

Mr. PERRONE. Never.

Mr. HALLEY. I am curious to know how you got that scrap contract. How did you get into the scrap business?

Mr. PERRONE. I buy scrap and sell it.

Mr. HALLEY. You were working at the stove works; is that right?

Mr. PERRONE. That is right.

Mr. HALLEY. As a coremaker?

Mr. PERRONE. That is right.

Mr. HALLEY. When did you first go into the scrap business?

Mr. PERRONE. Well, when I asked him if he wanted to sell it to me and I'd buy them and sell them.

Mr. HALLEY. Who did you ask?

Mr. PERRONE. The superintendent.

Mr. HALLEY. The superintendent?

Mr. PERRONE. Yes.

Mr. HALLEY. What is his name?

Mr. PERRONE. I can't even say that name—Kennell.

Mr. HALLEY. Kennell?

Mr. PERRONE. That is right.

Mr. HALLEY. Was he superintendent of the whole plant?

Mr. PERRONE. That is right.

Mr. HALLEY. You have known him for many years?

Mr. PERRONE. Yes.

Mr. HALLEY. Were you a foreman in the core-making department? or just a core maker?

Mr. PERRONE. Core maker.

Mr. HALLEY. You were not a foreman?

Mr. PERRONE. No.

Mr. HALLEY. You were not a boss of any kind?

Mr. PERRONE. No.

Mr. HALLEY. When did you ask him if you could haul the scrap?

Mr. PERRONE. Well, I asked him—you see, there is a lot of scrap in there, and I asked him if he wants to sell it to me so I could make some money, I figured, for myself. I started buying, hauling, and give him service.

Mr. HALLEY. How long ago was that? Was it before you went to prison?

Mr. PERRONE. When I got the truck.

Mr. HALLEY. When did you get the truck?

Mr. PERRONE. I don't remember. It is 1934, or 1935, or something like that, you know—1933, you know.

Mr. HALLEY. Did you get the truck first, or did you find out if Kennell would sell you the scrap?

Mr. PERRONE. No; I had the truck, you know, hauling stoves and dirt and cinders and gravel——

Mr. HALLEY. When you doing that with the truck? In your spare time?

Mr. PERRONE. No; I was working all the time. I had a few men working with the truck.

Mr. HALLEY. You mean while you were working as a core maker you had the trucking business, too?

Mr. PERRONE. That is right.

Mr. HALLEY. When did you buy the truck?

Mr. PERRONE. I don't remember if it is 1933 or 1934, you know.

Mr. HALLEY. Then after you had the truck, you asked if you could haul the scrap out; is that right?

Mr. PERRONE. Well, I see scrap in there. I figured I could make some money, go in business—in the scrap business.

Mr. HALLEY. The superintendent said he would let you have the business?

Mr. PERRONE. That is right. The other people don't haul them, keep it in there—"Go ahead; if you keep them clean, you can have them." I have been giving him service and cleaning all the time.

Mr. HALLEY. Did you make a contract for what you would pay for the scrap?

Mr. PERRONE. Yes.

Mr. HALLEY. How much money did you make out of the scrap business between 1934 and 1937?

Mr. PERRONE. I don't remember.

Mr. HALLEY. Well, did you make \$50,000?

Mr. PERRONE. No. At that time you can't make nothing.

Mr. HALLEY. At that time there was not much money in scrap; is that right?

Mr. PERRONE. No.

Mr. HALLEY. Then you went to jail and you served 3 years?

Mr. PERRONE. That is right.

Mr. HALLEY. During all that time, they let your wife keep on hauling the scrap?

Mr. PERRONE. I had a brother, too, you know—he take care of the business.

Mr. HALLEY. They did not take that contract away from you?

Mr. PERRONE. My brother was handling, and my wife.

Mr. HALLEY. Kennell kept on being the superintendent?

Mr. PERRONE. Yes; that is right.

Mr. HALLEY. Is he still the superintendent?

Mr. PERRONE. Yes, sir.

Mr. HALLEY. When you got out of jail, you went right back to the scrap business?

Mr. PERRONE. Scrap business and core-room department. We work in the core room, handling scrap, and everything.

Mr. HALLEY. Who was "we"?

Mr. PERRONE. Me and my brother.

Mr. HALLEY. You both got out of jail and went back to the core room?

Mr. PERRONE. Yes, sir.

Mr. HALLEY. You continued handling the scrap, too?

Mr. PERRONE. The same thing.

Mr. HALLEY. Are you still in the core room?

Mr. PERRONE. My brother is.

Mr. HALLEY. Where are you?

Mr. PERRONE. I have got a gas station and scrap business and truck.

Mr. HALLEY. You do not work for the stove company now; is that right?

Mr. PERRONE. Well, I haul everything for them, still working for them.

Mr. HALLEY. Do you have any other customers?

Mr. PERRONE. No.

Mr. HALLEY. Just the stove works?

Mr. PERRONE. Just the stove works.

Mr. HALLEY. Was there any particular reason why Kennell gave you this contract? Did he like you?

Mr. PERRONE. Well, I work there all my life since I was 14 years old. We gave him good service, working every day and Sunday and any time. This was our reward for good service, and we keep them clean.

Mr. HALLEY. Were there ever any fights around the stove works?

Mr. PERRONE. I never had a fight.

Mr. HALLEY. Did you ever see anybody have a fight?

Mr. PERRONE. No.

Mr. HALLEY. Were the police ever called on account of a fight?

Mr. PERRONE. Police?

Mr. HALLEY. Yes.

Mr. PERRONE. Police come in my station one time.

Mr. HALLEY. I mean at the stove works.

Mr. PERRONE. I never see no fight.

Mr. HALLEY. You never saw a fight?

Mr. PERRONE. No.

Mr. HALLEY. You never heard of the police being called on account of a fight?

Mr. PERRONE. No.

Mr. HALLEY. That is all.

Mr. BURLING. Mr. Perrone, I am going to show you a page of exhibit No. 1, and ask you if you can read enough to read the words in large print.

Mr. PERRONE. I can read "Sam Perrone."

Mr. BURLING. Did you put that ad in this book?

Mr. PERRONE. What is that?

Mr. BURLING. It is the dance given on November 12, 1949. Do you remember putting this ad in this book?

Mr. PERRONE. Well, I don't know. Maybe—what is it?

Mr. BURLING. It is a souvenir program of a dance. I want to know if you put the ad in. I think it cost \$100.

Mr. PERRONE. I don't know if I did or not.

Mr. BURLING. You don't remember?

Mr. PERRONE. No.

Mr. BURLING. Will you look at the bottom advertisement on the right-hand page facing you? Can you read those words in large print?

Mr. PERRONE. Perrone Service.

Mr. BURLING. That is your gas station?

Mr. PERRONE. Yes.

Mr. BURLING. Did you put that ad in?

Mr. PERRONE. I don't remember.

Mr. BURLING. I see. Now, do you remember now whether you ever drew a check in cash for \$20,000? I think you said you did a while back, a check for \$20,000 in cash. Did you ever draw that much cash out of the bank at one time?

Mr. PERRONE. Yes; at one time I think I did.

Mr. BURLING. Is this the check?

Mr. PERRONE. Sure, it is my name.

Mr. CHAIRMAN. Who was it signed by?

Mr. PERRONE. This is signed by me.

The CHAIRMAN. And drawn on what bank?

Mr. PERRONE. Well, at this bank [indicating].

The CHAIRMAN. Who was it paid to?

Mr. PERRONE. This check?

The CHAIRMAN. Yes.

Mr. PERRONE. I don't remember if I paid it on the house or left it to my son-in-law at that time.

Mr. BURLING. But you drew it out in cash anyhow?

Mr. PERRONE. I think it was for the house.

Mr. BURLING. You drew it in cash?

Mr. PERRONE. Well, I drew it in cash to pay on my house or something like that.

Mr. BURLING. You say you have a gun permit?

Mr. PERRONE. When?

Mr. BURLING. Do you have a permit to carry a gun?

Mr. PERRONE. When.

Mr. BURLING. You said you had to carry a gun now.

Mr. PERRONE. That is right.

Mr. BURLING. Do you have a permit?

Mr. PERRONE. Yes.

Mr. BURLING. Do you have it with you?

Mr. PERRONE. No.



Mr. BURLING. Do you know who signed the permit?

Mr. PERRONE. I don't know.

Mr. BURLING. Will you get in touch with the committee office tomorrow, and let us know who signed your gun permit?

Mr. PERRONE. I will have to bring it in and show it to you.

Mr. BURLING. You don't need to come in. Just telephone and tell us who signed the permit.

Mr. PERRONE. O. K., I will call you up and tell you.

Mr. BURLING. Thank you.

Did you ever engage in smuggling any aliens into this country?

Mr. PERRONE. No, sir.

Mr. BURLING. Did you ever arrange to have them employed at the stove works?

Mr. PERRONE. No, sir.

Mr. BURLING. Do you know Antonio Palazzolo? Do you know him?

Mr. PERRONE. I don't remember.

Mr. BURLING. All right. Do you know Vito Manzella?

Mr. PERRONE. Manzella?

Mr. BURLING. Yes.

Mr. PERRONE. I know a guy by that name.

Mr. BURLING. All right. Now, Manzella entered illegally crossing the Detroit River.

Do you know Michaelangelo Vitale? Do you know him?

Mr. PERRONE. I probably would if I see him.

Mr. BURLING. How about Michael Chirco?

Mr. PERRONE. I don't remember.

Mr. BURLING. Do you know Gino Maggetti?

Mr. PERRONE. No.

Mr. BURLING. Do you know Vincenzo Mannino?

Mr. PERRONE. No, sir.

Mr. BURLING. Do you know Luigi Chirco?

Mr. PERRONE. No. Maybe I would if I see him.

Mr. BURLING. Salvatore Lioni?

Mr. PERRONE. No.

Mr. BURLING. Guiseppe DiMaggio, Calogero D'Anna?

Mr. PERRONE. No.

Mr. BURLING. Of Wyandotte, Mich.?

Mr. PERRONE. No.

Mr. BURLING. I might say, Mr. Chairman, that this is a list of persons received from the Immigration Service, all of whom are persons who have illegally entered the country, and who were found to be working at the Detroit (Mich.) Stove Works.

Paolo DiMaggio? Giovanni Vitale? Do you know him?

Mr. PERRONE. Well, I would probably know him if I see him. He probably works in the stove works.

Mr. BURLING. Michael Donato? Dominico Manzella, Salvatore Iacopelli?

Mr. PERRONE. If I see him, probably I know him.

Mr. BURLING. Vito Palazzolo?

Mr. PERRONE. I probably know him.

Mr. BURLING. Giuseppe Ventimiglia? Giuseppe Vitale? Anthony Palazzolo? Rosario Vitale?

Mr. PERRONE. I heard all those names.

Mr. BURLING. Have you any idea how that long list of names of aliens who entered the country illegally all came to be working at the stove works?

Mr. PERRONE. I don't know a thing about it.

Mr. BURLING. It wasn't your doing?

Mr. PERRONE. No.

Mr. BURLING. Mr. Chairman, I ask that this check for \$20,000 in cash should be incorporated into the record, as well as this list of aliens.

The CHAIRMAN. They will be admitted and incorporated into the record.

(The documents identified were thereupon received in evidence as exhibits Nos. 11 and 12, and appear in the appendix on pp. 271 and 272, respectively.)

Mr. BURLING. Your brother has a place on Lake Pontchartrain, does he?

Mr. PERRONE. Where he lives?

Mr. BURLING. Does he have a place on the lake?

Mr. PERRONE. That's right.

Mr. BURLING. And he has a speedboat, does he not?

Mr. PERRONE. That's right.

Mr. BURLING. Does he smuggle aliens in with the speedboat?

Mr. PERRONE. No; my brother don't do that.

Mr. BURLING. You know Melvin Bishop, don't you?

Mr. PERRONE. No, sir.

Mr. BURLING. You don't?

Mr. PERRONE. No.

Mr. BURLING. Think carefully. Do you not know Melvin Bishop?

Mr. PERRONE. No, sir.

Mr. BURLING. Weren't you arrested with him?

Mr. PERRONE. What?

Mr. BURLING. Were you not arrested in his company?

Mr. PERRONE. I don't know him.

Mr. BURLING. I will see if I can refresh your recollection: Were you not in a car, hunting, and were you not arrested and charged with hunting with the use of a powerful searchlight or spotlight?

Mr. PERRONE. I was going to the village, and they blamed it on me for that, and I was arrested, and I had 3 or 4 guys, and they come in my cabin, and I took them to the village, and I was arrested——

Mr. BURLING. Who was arrested?

Mr. PERRONE. Because of the gaming laws. He thought we were shooting the deer with the lights.

Mr. BURLING. This committee isn't in the least interested in violations of the gaming laws. We are interested in whether you were arrested in the company of Melvin Bishop.

Mr. PERRONE. I was arrested with a few guys. I don't know their names. I don't remember the names.

Mr. BURLING. Do you go hunting with people whose names you don't know?

Mr. PERRONE. I no was going hunting. They come over to my cabin, 10 or 15 guys, you know.

Mr. BURLING. I don't know. Who came to your cabin? Where is your cabin?

Mr. PERRONE. Up north.

Mr. BURLING. Where?

Mr. PERRONE. In the Cummins.

Mr. BURLING. And what do you say happened? You say these men came to your cabin?

Mr. PERRONE. They come that night.

Mr. BURLING. Why did they come there?

Mr. PERRONE. I don't know. See, I don't know all of them by name. I know if I see them. If I see them, I know them. See, one guy bring another guy, and another guy bring another guy, and I happened to go to the village, and we got arrested. They figured we use lights—it was in the nighttime. We were going to the village, you know. They come with me, three or four guys.

Mr. BURLING. Would it come to you as a surprise, if I show you one of the men arrested with you is Melvin Bishop?

Mr. PERRONE. I don't remember the name, see. If it was Mel Bishop or Jones or Joe, I don't remember. Probably if I see, I know the guy. I could remember, you see.

Mr. BURLING. What is your baptismal first name?

Mr. PERRONE. First name?

Mr. BURLING. Yes.

Mr. PERRONE. My real name is Santo Perrone.

Mr. BURLING. Santo?

Mr. PERRONE. Yes. They call me Sam. It's easier to say Sam than it is to say Santo.

Mr. BURLING. And how many children have you?

Mr. PERRONE. Three.

Mr. BURLING. One is Mrs. Renda?

Mr. PERRONE. Yes.

Mr. BURLING. One is Mrs. Orlando?

Mr. PERRONE. Yes, and Mrs. Meli.

Mr. BURLING. And you advanced about at least \$50,000 to Orlando?

Mr. PERRONE. That is right.

Mr. BURLING. Have you advanced any money to Mr. Meli?

Mr. PERRONE. That's right.

Mr. BURLING. Have you?

Mr. PERRONE. Sure.

Mr. BURLING. About how much?

Mr. PERRONE. I don't know if it's \$12,000 or \$13,000, something like that.

Mr. BURLING. Have you ever advanced any money to Mr. Renda?

Mr. PERRONE. Sure, one time I did.

Mr. BURLING. How much?

Mr. PERRONE. \$32,000.

Mr. BURLING. When?

Mr. PERRONE. It's 6 or 7 years ago.

Mr. BURLING. And he has paid you back?

Mr. PERRONE. Paid me back.

Mr. BURLING. In other words, the only one of your three daughters now that hasn't got any share of your wealth is Renda, Mrs. Renda, is that right?

Mr. PERRONE. Share of my wealth, what?

Mr. BURLING. Share of your wealth, your money.

Mr. PERRONE. My money?

Mr. BURLING. You have advanced money to the Orlando family, and you have advanced money to the Meli family, but as of today, you haven't advanced any money to the Renda family.

Mr. PERRONE. They don't need any money from me, the Renda family.

Mr. BURLING. You did them another favor, didn't you?

Mr. PERRONE. Sure. It's my son-in-law. I helped him out.

Mr. BURLING. You fixed him up at Briggs, didn't you?

Mr. PERRONE. I never fixed nothing at Briggs. I don't know Briggs.

The CHAIRMAN. At this juncture, we will take a recess until 8 o'clock this evening.

(Whereupon, at 6 p. m., a recess was had until 8 p. m., the same day.)

#### EVENING SESSION.

The CHAIRMAN. The session will please come to order.

I would like to recall Mr. Mosser to the stand.

You have been previously sworn and it will not be necessary to swear you again.

Mr. Burling, will you proceed?

#### FURTHER TESTIMONY OF ANDREW MOSSER, DETROIT, MICH.

Mr. BURLING. Mr. Mosser, during the last hour of the session, I read a list of aliens off that I said illegally entered the country. Did you hear me read that list?

Mr. MOSSER. Yes.

Mr. BURLING. Are you acquainted with that list?

Mr. MOSSER. Yes.

The CHAIRMAN. I hand you exhibit No. 14, which is the list in question.

Mr. BURLING. Does that list come from the files of the Immigration and Naturalization Service?

Mr. MOSSER. It was prepared in the immigration office; yes.

Mr. BURLING. Can you tell me, if you know, what the files of the Immigration Service show with respect to the place of employment of those persons?

Mr. MOSSER. All of these aliens were employed at the Detroit, Mich., Stove Co.

Mr. BURLING. Was there a case made that was about to be broken to apprehend the whole list; do you know that?

Mr. MOSSER. Well, I don't exactly know what you mean by a "case broken."

Mr. BURLING. A case made.

Mr. MOSSER. A case made? We started to apprehend these people at their homes. I think we got about three or four of them, and the rest of them skipped out.

Mr. BURLING. They fled, in other words?

Mr. MOSSER. That is right.

Mr. BURLING. You verified the place of employment as the Detroit, Mich., Stove Works?

Mr. MOSSER. Yes.

Mr. BURLING. Will you look at the list and see if it shows all of the people entered the United States illegally?

Mr. MOSSER. Yes; all of them entered illegally with an exception, with possibly more than one, maybe two, who entered as visitors to the United States. That is, they had a passport and came to the United States as visitors.

The CHAIRMAN. Were they visitor's visas?

Mr. MOSSER. Yes.

Mr. BURLING. And they overstayed the permit and remained in the United States?

Mr. MOSSER. That is right. They accepted employment in the United States, which is contrary to law.

Mr. BURLING. That is all I have, Mr. Chairman.

The CHAIRMAN. The only question I have is, Do you know whether they were employed at or about the same time, let us say? Whether or not they were on the employment rolls as of the same time?

Mr. MOSSER. Yes; I think that every one of them was employed at the stove works on January 9, 1950. I am not absolutely certain about it, but I think most of them were.

The CHAIRMAN. It is observed that there are 20 on the rolls. Have you any idea as to the total employment of the company, about the approximate employment as of that time?

Mr. MOSSER. I wouldn't know. I could just guess. One thousand, perhaps.

The CHAIRMAN. That strikes me as a very high percentage of employment, to have such a number of illegal aliens on the rolls as of one time. Counsel, who is well informed, indicates that there are 750 as of that date. Would that correspond with your general knowledge?

Mr. MOSSER. Yes, I, of course, have no direct knowledge. All I know is just what I can guess at as the number employed at that plant. We did check that.

Mr. BURLING. Thank you very much.

The CHAIRMAN. Thank you. You are excused.

(Witness excused.)

The CHAIRMAN. Max J. Zivian.

Do you solemnly swear the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. ZIVIAN. I do.

**TESTIMONY OF MAX J. ZIVIAN, DETROIT, MICH., ACCOMPANIED  
BY JOSEPH A. VIESON, ATTORNEY, DETROIT, MICH.**

The CHAIRMAN. Will you give your name?

Mr. ZIVIAN. Max J. Zivian.

The CHAIRMAN. I might observe that we had requested Mr. Zivian earlier this afternoon. Apparently there was some misunderstanding with regard to the exact time.

Mr. ZIVIAN. This was set for tomorrow morning.

The CHAIRMAN. Yes. There was some change in the arrangements. The only reason I am making that comment now is because we are just breaking the line of the continuity.

Mr. BURLING. I think we should emphasize, Mr. Chairman, that nothing whatever should be drawn from the fact that Mr. Zivian was not here, and it was obviously in good faith, and there was confusion as to appointments.

Mr. VIESON. We had agreed, Mr. Chairman, to have Mr. Zivian voluntarily appear at any time, and the time that we were given was 10 o'clock Friday morning. Through some confusion of the committee, they asked to have him here at 3 o'clock. We did not agree

to have him here, and we said we would do what we could do to have him here. We do have him present now.

Mr. BURLING. I am not going to have the committee left in the position of being confused. It is correct, Mr. Chairman, that we had originally agreed on the hour of 10 o'clock; but, if counsel wishes to argue about it, we did request that Mr. Zivian be here, and we were informed that he would be here at 3 o'clock.

Mr. VIESON. You were not informed he would be here. We told you we would try to have him here.

The CHAIRMAN. Counsel, I think we can probably terminate this end of it by saying Mr. Zivian is not considered at fault in the slightest, or his very able counsel, either. We are more intent on getting the facts, and it may have been a question of a little misunderstanding on both sides for which nobody is responsible. So let us proceed now and get to the heart of it.

Mr. BURLING. I think perhaps also, Mr. Chairman, a prefatory remark might be in order, that the fact that someone is called before this committee is in itself no indication that that person or a corporation associated with him is himself a racketeer or criminal of any sort. The committee ranges over a very wide scope of information, and the record will speak for itself, but the mere fact that someone is called here or questioned here should be taken by no one as any sort of discredit.

The CHAIRMAN. That is correctly stated. There is no inference to be drawn at all from the appearance. The very best of citizens might appear. As a matter of fact, they probably will in the course of these proceedings. They have elsewhere—some of the finest citizens.

The very fact of their attendance does not indicate they are blameworthy in any respect.

Mr. BURLING. You only have to look back to this morning, Mr. Chairman. As I remember, the governor of the State and the mayor of the city appeared.

The CHAIRMAN. That is correct.

Mr. BURLING. Now, will you go back to the year 1946 and state what business you had been in for 2 or 3 years before that?

Mr. ZIVIAN. I had been with the Detroit Steel Corp. since 1923.

Mr. BURLING. From 1923 to 1946 you were with the Detroit Steel Corp.?

Mr. ZIVIAN. Up until the present time.

Mr. BURLING. From 1923 to 1946 you were with the Detroit Steel Corp. as it was then constituted?

Mr. ZIVIAN. Yes. I have never been any place else.

Mr. BURLING. As of January 1, 1946, will you state what position you had with that corporation?

Mr. ZIVIAN. President.

Mr. BURLING. January 1, 1946?

Mr. ZIVIAN. Yes, sir. I became president July 1, 1944.

Mr. BURLING. Then to go back to January 1944—

Mr. ZIVIAN. I was vice president.

Mr. BURLING. In what year was the merger between Detroit Steel Corp. and Reliance?

Mr. ZIVIAN. 1944.

Mr. BURLING. I have a typographical error in my notes. As of January 1, 1944, will you name the officers of the Detroit Steel?

Mr. ZIVIAN. The president was W. C. Schrage. The executive vice president was Arthur Schrage.

Mr. BURLING. Will you please spell that last name?

Mr. ZIVIAN. S-c-h-r-a-g-e. I was the vice president. Joseph Polte was the vice president. Anton Polte was the vice president. Robert Kelley was a vice president; and Roger Yoder, I think, was secretary-treasurer at the time.

Mr. BURLING. Now, did the officers and directors of Detroit Steel make any statement to you or proposal to you in the early part of 1944?

Mr. ZIVIAN. I don't understand the question, sir.

Mr. BURLING. Is it the fact that the other officers came to you and stated that they were desirous of retiring and would like you to run the company?

Mr. ZIVIAN. It was in the fall of 1943. They came to me at that time.

Mr. BURLING. Will you describe what they told you?

Mr. ZIVIAN. Yes. They came to me and said that we had been progressing quite rapidly, and they were getting up in their years, and they didn't want to take the responsibility of future expansion, and the younger men in the organization did want to expand further. They said they would like—all the directors of the company and the chief officers—to retire and would like me to take over the presidency of the company.

Mr. BURLING. Did they say to you that you could arrange mergers or consolidations if you also saw fit?

Mr. ZIVIAN. Yes, sir.

Mr. BURLING. Did they say they were going to sell out their investment or hold it?

Mr. ZIVIAN. No, sir. They said they wouldn't sell any of their investment. They wanted to hold their investment entirely.

Mr. BURLING. Did you endeavor to arrange some merger or consolidation?

Mr. ZIVIAN. I did.

Mr. BURLING. Did you specifically commence negotiating a merger with Reliance Steel Corp.?

Mr. ZIVIAN. I did.

Mr. BURLING. Where are the main offices of that corporation?

Mr. ZIVIAN. They were in Cleveland at the time. There is no Reliance Corp. now.

Mr. BURLING. Reliance was absorbed by Detroit?

Mr. ZIVIAN. They merged.

Mr. BURLING. And the name Reliance disappeared?

Mr. ZIVIAN. Only as a division.

Mr. BURLING. Who was the president of Reliance before the merger?

Mr. ZIVIAN. Sol Freedman.

Mr. BURLING. Was it agreed initially that a merger should be arranged whereby you would become president of the consolidated company?

Mr. ZIVIAN. When Mr. Schrage and myself and attorneys and Mr. Freedman got together at a meeting we arranged for the merger, and it was satisfactory.

Mr. BURLING. In the beginning Mr. Freedman agreed to it; is that right?

Mr. ZIVIAN. Yes.

Mr. BURLING. And is it correct that later Mr. Freedman said he wouldn't go along unless either he was to become president or he was to be bought out?

Mr. ZIVIAN. That is right.

Mr. BURLING. In other words, he would vote his own stock in Reliance against the merger?

Mr. ZIVIAN. He didn't say he would do that. He said he thought the merger was natural, and he said—he didn't say he would vote against the merger but that he wanted to be president.

Mr. BURLING. You either had to agree to make him president or it wouldn't go through; isn't that so?

Mr. ZIVIAN. Well, no. I made the statement that, unless it was unanimously approved by the stockholders, we weren't interested in a merger, and at that time he said, "Well, buy me out."

Mr. BURLING. I see. And did the group which had held the major blocks of the old Detroit Steel then undertake to buy out Mr. Freedman?

Mr. ZIVIAN. No; they didn't try to buy him out at all. They left that to me. I tried to buy him out.

Mr. BURLING. Did they agree that you should act as their agent in buying him out?

Mr. ZIVIAN. I was not acting as their agent at all. I was acting as my own agent.

Mr. BURLING. You personally tried to buy out Mr. Freedman; is that right?

Mr. ZIVIAN. Yes; and I did.

Mr. BURLING. Personally?

Mr. ZIVIAN. Yes. I made the deal, but I actually——

Mr. BURLING. For whom?

Mr. ZIVIAN. For a group of people.

Mr. BURLING. Including such as whom?

Mr. ZIVIAN. Mr. Yoder and Mr. Kelly and Mr. Ribakoff and Mr. Barnett——

Mr. BURLING. And Mr. Dalitz?

Mr. ZIVIAN. And—no, at that time Mr. Dalitz didn't have anything to do with that.

Mr. BURLING. I am trying to find out who you were acting for.

Mr. ZIVIAN. Well, I have a list of the people that we found.

Mr. BURLING. We would be very glad to receive that.

Mr. VIESON. I would like to state that these are original figures, and we will be glad to furnish photostatic copies, or whatever copies you would like for the record.

The CHAIRMAN. That will be entirely satisfactory.

Mr. VIESON. Mr. Zivian can read the names here.

Mr. ZIVIAN. Edith Barnett, James Atkinson, Louis Modell, Lola Tushbant, Bertha Ribakoff, Harry Brown, Maud Berger, Rhoda Zivian.

Mr. VIESON. That is all at that time.

Mr. ZIVIAN. That was 20,500 shares that we agreed to buy.

Mr. BURLING. How many shares did Mr. Freedman have to be bought out?

Mr. ZIVIAN. Fifty thousand five hundred.

Mr. BURLING. And what price did he put on there?

Mr. ZIVIAN. \$11.50.



Mr. BURLING. Would you be good enough to tell me what that totals?

Mr. ZIVIAN. Well, it totals approximately \$583,000.

Mr. BURLING. When we were in my office, you were talking——

Mr. ZIVIAN. Yes; I was talking about 54,000 shares, and I was multiplying 54 by 11½. But I was mistaken. I was talking from memory at the time. Right?

Mr. BURLING. That is correct. I agree.

Mr. ZIVIAN. I haven't looked up the papers, and when I went back to get the papers, we found it was 50,500. The agreement to buy came out of here also.

Mr. BURLING. I don't want to take it away from you, but I wonder if I might look at it now, please.

So that the price that had to be raised to pay Freedman for his stock was \$580,750?

Mr. ZIVIAN. Yes.

Mr. BURLING. And it appears that those that originally negotiated toward buying that were the people that you have just read off?

Mr. ZIVIAN. That is right.

Mr. BURLING. To save my time, will you tell me whether this agreement describes which purchaser was to acquire what amount?

Mr. ZIVIAN. No; it does not. I have other agreements for that. I signed that in total. In other words, there had to be a head to make the deal, and I acted as the head of it, and then distributed the other agreements that I have here to each one individual.

Mr. BURLING. And, as I understand it, the agreement was that the Reliance stock was to be put up with an escrow agent in Cleveland?

Mr. ZIVIAN. That is right.

Mr. BURLING. If you could raise the \$580,000 within 30 days, the deal went through?

Mr. ZIVIAN. I am not sure of the days.

Mr. VIEESON. No; that is not the correct thing about the days. There were——

The CHAIRMAN. Just let Mr. Zivian testify, if you will.

Mr. ZIVIAN. I would like to refer to this, then, and tell you exactly.

On or about February 28, I was supposed to put up \$101,000. And on or before March 10, I was supposed to put up \$404,000.

Mr. BURLING. What is the total life of the escrow agreement there?

Mr. ZIVIAN. That is a legal term. I really don't know. I presume it was March 10. Am I right on that?

Mr. BURLING. And the——

Mr. ZIVIAN. That was five hundred——

Mr. BURLING. And Freedman was, in fact, bought out; is that right?

Mr. ZIVIAN. That is right.

Mr. BURLING. Would you describe the financing——

Mr. ZIVIAN. Just a minute, if I may. That was only five hundred five. As you recall, there is an additional seventy-some-thousand dollars. This stock at the time was selling across the board. It wasn't listed stock. It was traded across the counter, I guess they call it, and, as I recall, the stock was selling for around seven or eight dollars a share when we first started talking about this.

Mr. BURLING. Which stock are you talking about?

Mr. ZIVIAN. Reliance was selling across the counter for about seven or eight dollars, if I am correct, and we felt, of course that eleven and a half dollars was a high price for the stock and it wasn't worth it. But we felt that it could be sold for \$10 a share. Therefore, I agreed and personally put up a note for a year for 50 cents a share. I gave him my note for 1 year, I think it was, for 50 cents a share, and the directors of Reliance Steel contributed \$1 a share in proportion to their holdings, so that made it \$1.50 a share. So then the stock was actually—could then be sold for \$10, and that makes up the five hundred eighty-three. In other words, that was put up immediately, and the five hundred five had to be put up as I stated.

Mr. BURLING. How much did you put out of that \$75,000?

Mr. ZIVIAN. Fifty cents a share, twenty-five thousand—

Mr. BURLING. You put that out of your own assets?

Mr. ZIVIAN. I put up a note for that.

Mr. BURLING. What collateral did you give on it?

Mr. ZIVIAN. Nothing.

Mr. BURLING. Will you just tell us how the remaining \$525,000—

Mr. ZIVIAN. Five hundred five thousand.

Mr. BURLING. How it was raised?

Mr. ZIVIAN. Yes. These people that I just called off before raised \$205,000.

Mr. BURLING. That had nothing to do with you?

Mr. ZIVIAN. My wife bought some of that also.

Mr. BURLING. Just tell us how it was raised.

Mr. ZIVIAN. Individually, there is \$205,000 raised, 20,500 shares at \$10 per share.

Mr. BURLING. By whom?

Mr. ZIVIAN. By the people I mentioned before.

Mr. BURLING. Including your wife?

Mr. ZIVIAN. Including my wife.

Mr. BURLING. That leaves approximately \$300,000 to raise.

Mr. ZIVIAN. That is right.

Mr. BURLING. How was that raised?

Mr. ZIVIAN. That was raised by my wife again buying 100,000 shares—10,000 shares, or \$100,000.

Mr. BURLING. She had already bought some?

Mr. ZIVIAN. Here she bought 5,250 shares.

Mr. BURLING. \$52,000 worth?

Mr. ZIVIAN. Yes.

Mr. BURLING. She bought an additional \$100,000 worth?

Mr. ZIVIAN. Yes.

Mr. BURLING. How did she raise that money?

Mr. ZIVIAN. How did she raise that money?

Mr. ZIVIAN. Well, with what money she had and through borrowing.

Mr. BURLING. How much did she have? What cash did she draw?

Mr. ZIVIAN. She had some holdings in other companies, which we sold to raise the money.

Mr. BURLING. Will you tell us what they were?

Mr. ZIVIAN. They were in Airway Appliance and Fintex Corp.

Mr. BURLING. That was sold out?

Mr. ZIVIAN. That was sold out for that money, and then she borrowed money. As a matter of fact, my attorney's wife lent her \$80,000.

Mr. BURLING. What is your attorney's name?

Mr. ZIVIAN. At that time it was Honigman.

Mr. BURLING. Mrs. Honigman lent Mrs. Zivian \$80,000?

Mr. ZIVIAN. Yes.

Mr. BURLING. Secured by what?

Mr. ZIVIAN. By nothing.

Mr. BURLING. Just a plain loan, with no security?

Mr. ZIVIAN. That is right.

Mr. BURLING. All right. Now, that leaves us approximately \$300,000 more to raise.

Mr. ZIVIAN. \$200,000. \$205,000 here and \$100,000 makes \$305,000, which leaves \$200,000 more.

Mr. BURLING. Will you tell us what happened in relation to financing the remaining \$200,000?

Mr. ZIVIAN. The remaining \$200,000 we borrowed from the Industrial National Bank in New York.

Mr. BURLING. That is the Morris Plan Bank?

Mr. ZIVIAN. Yes; the Morris Plan Industrial Bank.

Mr. BURLING. We have now come to the point in which the committee is interested in details. Suppose you start at the beginning and tell us in detail how that loan came to be floated.

Mr. ZIVIAN. Yes. If you read this——

Mr. BURLING. Will you tell us in your own words?

Mr. ZIVIAN. I just want to refer back to this. When I put up \$101,000 plus \$75,000, if the balance was not raised, we lost all that by a certain time. So, by that time we had approximately \$400,000 put up—three-hundred-eighty-some thousand. If we didn't raise the other \$200,000 on time, we would have lost that.

I met Mr. Dalitz on the street.

The CHAIRMAN. What is his full name?

Mr. ZIVIAN. N. B. Dalitz.

At that time he was a lieutenant in the Army, and we were just coming out of the attorney's office, this whole group.

Mr. BURLING. Before we get to that, will you tell us what your acquaintance with Mr. Dalitz had been up to that point?

Mr. ZIVIAN. I had known him at that time, I would say, 3, 4, or 5 years.

Mr. BURLING. You had seen him three or four times, had you not?

Mr. ZIVIAN. Yes, I had seen him maybe a few more times.

Mr. BURLING. Well, how many?

Mr. ZIVIAN. I don't know.

Mr. BURLING. What is your best estimate?

Mr. ZIVIAN. I would say maybe a half dozen times or eight times.

Mr. BURLING. You first met him at a golf course?

Mr. ZIVIAN. That is right.

Mr. BURLING. You never had been in his office or in his house?

Mr. ZIVIAN. He did not live in Detroit at that time.

Mr. BURLING. Wherever he lived, you had not been to his house or office?

Mr. ZIVIAN. No, sir.

Mr. BURLING. You did not know much about what he was doing?

Mr. ZIVIAN. No.

Mr. BURLING. You knew he had an interest in laundries here in Detroit?

Mr. ZIVIAN. Yes; and in Cleveland, too.

Mr. BURLING. Laundries in Cleveland, too?

Mr. ZIVIAN. Yes, I think so.

Mr. BURLING. You knew he gambled at the race tracks?

Mr. ZIVIAN. No; I heard he had an interest in some race tracks.

Mr. BURLING. You never heard that he was a gambler, up to this point?

Mr. ZIVIAN. Up to that time I didn't know it.

Mr. BURLING. And that he ran gambling casinos or bookie joints?

Mr. ZIVIAN. No.

Mr. BURLING. He never talked to you about what his business was, nor you with him?

Mr. ZIVIAN. No. I presumed he knew I was in the steel business.

Mr. BURLING. You presumed he knew, but you had no reason?

Mr. ZIVIAN. No.

Mr. BURLING. You never told him what you were doing? Will you go on?

Mr. ZIVIAN. When I ran into him, as we came out of the attorney's office, I think, closing this deal——

Mr. BURLING. You have not stated what attorney you are talking about.

Mr. ZIVIAN. Halley, Haber & McNulty; something like that. They were the attorneys for the Reliance Steel Co. at the time.

Mr. BURLING. What building was it?

Mr. ZIVIAN. I think the Union Trust Building or Union Commerce Building.

Mr. BURLING. You came down from the attorney's office and went out onto the street.

Mr. ZIVIAN. We were walking to the Statler Hotel.

Mr. BURLING. You there met Lieutenant Dalitz?

Mr. ZIVIAN. Yes.

Mr. BURLING. Will you tell us as fully and as accurately as you can what he said to you and what you said to him?

Mr. ZIVIAN. I will try.

As he bumped into me in the street, he said, "What are you doing in Cleveland?"

I said, "I am just closing a deal here," and asked him what he was doing there. He said that he was on leave, or something, at the time.

He said, "How are you coming on the deal?"

And I said, "Pretty well—we have it pretty well settled, but I am short \$100,000."

He said, "I think I can arrange to get it for you."

I said, "Well, would you be willing to buy some stock in this company?"

He said, "Yes. Meet me at my attorney's office and we will make the arrangements."

So I went back to the hotel with the four or five others at the time, and within an hour later, or 2 hours later, went over to his attorney's office.

Mr. BURLING. Did it strike you at all extraordinary that a man which you met perhaps a half dozen times at the golf club or otherwise socially, and who did not know any details about your business as

far as you know, and who did not ask you for a balance sheet, should put \$100,000 in your business?

MR. ZIVIAN. No; he asked me to come over to his attorney's office. At that time we most likely discussed the deal.

MR. BURLING. I thought you said right out in the street he put \$100,000—

MR. ZIVIAN. He didn't hand me \$100,000. He said, "Come over to my attorney's office and we will talk about it."

MR. BURLING. Did he say that he would put in the \$100,000 in the course of the conversation on the sidewalk in front of the Union Commercial Building?

MR. ZIVIAN. He said, "I think we can arrange it."

MR. BURLING. You told me in my room, I believe, that he said, "I will put it in," did you not?

MR. ZIVIAN. Well, I don't recall if he said that or not. I don't recall exactly what he actually did say at this moment.

MR. BURLING. When you got to his attorney's office, did you go over the figures of Reliance in Detroit?

MR. ZIVIAN. My attorney was with me, and he called in the vice president of the bank.

MR. BURLING. Did you go over the figures for Reliance?

MR. ZIVIAN. I think we explained the deal of what we were doing. I don't think we showed him any balance sheet at that time, as I recall.

MR. BURLING. It does not strike you as odd that this man should put \$100,000 up without even looking at the balance sheet of the company?

MR. ZIVIAN. It did not.

MR. BURLING. Or studying the merger agreements, or anything?  
(No response.)

MR. BURLING. Now, did Dalitz at this time put up \$100,000?

MR. ZIVIAN. No; he called this banker—the Cleveland Industrial Bank or something—Morris Plan Industrial Bank of Cleveland, and I think the name of the attorney was Mr. Haas.

MR. BURLING. Mr. Chairman, I think at this time it would be appropriate in the record to say that Mr. Haas was not available for service of subpoena, when the committee was in Cleveland. Will you go ahead?

MR. ZIVIAN. He called Mr. Small. I think his title was vice president—I think he is executive vice president and Mr. Haas explained the thing and said that we had 30,000 shares of stock to put up as collateral, and we wanted to borrow \$200,000, of which he and Mr. Dalitz were to be responsible for \$100,000 and I would be responsible for \$100,000, although I personally wasn't getting much benefit out of that \$100,000. It was for other people.

MR. BURLING. Thirty thousand shares of stock are pledged for \$200,000?

MR. ZIVIAN. Ten thousand was already paid for by my wife.

MR. BURLING. Ten thousand has already been paid for by your wife, and you were agreeing to pay for 10 more, than Dalitz was agreeing to pay?

MR. ZIVIAN. Right.

Mr. BURLING. Dalitz did all of this without any examination of the business of either Detroit Steel or Reliance Steel or what the merger was to produce?

Mr. ZIVIAN. I don't think that he did. I think maybe Mr. Haas had asked some questions of my attorney at that time as to just what we were trying to accomplish.

Mr. BURLING. Nobody studied any figures?

Mr. ZIVIAN. Not that I recall.

Mr. VIESON. Would it be in order to make a statement to clarify the record here?

Mr. BURLING. When we are through, counsel, you may. I would like to finish with the witness.

The CHAIRMAN. Proceed.

Mr. BURLING. That loan went through, is that right?

Mr. ZIVIAN. That is right.

Mr. BURLING. Dalitz did not take all of the 10,000 shares himself, did he?

Mr. ZIVIAN. No; he took 6,667, and Mr. Haas took 3,333.

Mr. BURLING. Subsequently were they not also distributed to Mr. Tucker, Mr. Kleinman, and Mr. Rothkopf?

Mr. ZIVIAN. I think he did—I think he did distribute them. I didn't have anything to do with that.

Mr. BURLING. Mr. Chairman, I think it is appropriate at this time to say that this is largely the finishing of the matter which the committee went into in Cleveland and that the identities of Dalitz, Rothkopf, Kleinman, and Tucker are established in the Cleveland record, and we will not repeat it by going into them here. It should further be said all four men are hiding from the service of subpoena of this committee. We made every effort to find them, and we are unable to do so. Now, did this group—that is, Dalitz, Kleinman, Rothkopf, Tucker, and Haas—either pay you or pay the Morris Plan Bank the \$100,000 they had agreed to pay for the stock?

Mr. ZIVIAN. I didn't know anything about the other three gentlemen you mentioned. Only once I had agreements with Mr. Dalitz and Mr. Haas.

Mr. BURLING. Was the \$100,000 paid either to you or to the Morris Plan Bank?

Mr. ZIVIAN. It was paid to the Morris Plan Bank. I and my associates paid \$100,000 and they paid \$100,000.

Mr. BURLING. You mean the Morris Plan got back \$100,000?

Mr. ZIVIAN. No, \$200,000. I and my associates paid a combination of \$100,000. Out of this \$100,000, I only borrowed \$20,000 and four other people each borrowed \$20,000, and I signed the note.

Mr. BURLING. Do you have any documentary records showing the payment to the Morris Plan Bank?

Mr. ZIVIAN. By myself?

Mr. BURLING. By what we will call the Dalitz group.

Mr. ZIVIAN. Yes, I do.

Mr. BURLING. The committee will be very glad to receive that, I believe.

Well, supposing we go on while your attorney looks for the records, Mr. Zivian.

Mr. ZIVIAN. All right.

Mr. BURLING. At any rate, it is your personal recollection that the Dalitz group paid the \$100,000 direct to the Morris Plan Bank?

Mr. ZIVIAN. That is right.

Mr. BURLING. Now, at a later date did you have occasion to lend any money to Mr. Dalitz?

Mr. ZIVIAN. Yes, I did.

Mr. BURLING. Will you tell us the story of that?

Mr. ZIVIAN. I lent him—I have the record here—\$75,000.

Mr. BURLING. How did that come to pass?

Mr. ZIVIAN. He was in the real estate deals where he was building some buildings and he asked me to lend it to him, and I did.

Mr. BURLING. Did you have the cash available, or did you pledge him securities?

Mr. ZIVIAN. No; he pledged security for it. I had the money available, and I gave it to him, and he paid it back.

Mr. BURLING. Just to be accurate, you transferred the loan to your wife, and he paid that loan back?

Mr. ZIVIAN. Later on. But he first gave me back, and then he transferred \$60,000 to Mrs. Zivian, and he paid her back.

Mr. BURLING. There is presently no obligation?

Mr. ZIVIAN. No, sir.

Mr. BURLING. Does the Dalitz group presently have this block of stock as far as you know?

Mr. ZIVIAN. I think Mr. Haas sold his stock.

Mr. BURLING. But otherwise?

Mr. ZIVIAN. The others, I think, still have it, as far as I know.

Mr. BURLING. Has any member of that group ever evidenced any interest in the management of the corporation?

Mr. ZIVIAN. No, never.

Mr. BURLING. Have you ever talked to Mr. Dalitz about how the steel company should be run?

Mr. ZIVIAN. No, sir.

Mr. BURLING. He has never suggested to you any way in which the management might advantage itself so to speak?

Mr. ZIVIAN. No, sir.

Mr. BURLING. Have you continued to see Mr. Dalitz after 1944?

Mr. ZIVIAN. Yes, sir.

Mr. BURLING. Describe the relationship.

Mr. ZIVIAN. Well, there was nothing special in the relationship. I have been at his home. I don't think he has ever been at my home. I think Mrs. Dalitz has. When he comes to town once in a while, he calls me and I will have dinner with him. He was a very friendly fellow and he was a likable fellow.

Mr. BURLING. Do you remember the yacht trip?

Mr. ZIVIAN. Yes; I have been on his boat. Mrs. Zivian and I took a trip to Mackinaw with him on his boat. Then we came back on a train.

Mr. BURLING. That is, you went from Detroit to Mackinaw and back?

Mr. ZIVIAN. That is right. He stayed there and Mrs. Zivian and I came back on the train.

The CHAIRMAN. Counsel, did you desire to say anything?

Mr. VIESON. We have the record here that you were asking for.

The CHAIRMAN. That concludes the interrogation. Thank you.

Mr. ZIVIAN. Do you want copies of this?

The CHAIRMAN. Thank you.

Lest there be an inference drawn, we think it only proper to say that there are, as counsel has stated, other phases of the matter which in no sense relate to you or to this company, in which the other parties have been mentioned, and do figure prominently. It is the purpose of counsel to develop the fact that this is an instance of infiltration into legitimate business by gangster elements.

Mr. ZIVIAN. May I ask you a question?

The CHAIRMAN. Yes.

Mr. ZIVIAN. In the last week or so I have been contacted by these fellows to buy their stock back. Would that be appropriate or would that be out of order? I got into this mess and I don't want to get into it again.

The CHAIRMAN. That is one thing the committee cannot advise you about. Thank you very much, gentlemen.

(Witness excused.)

### TESTIMONY OF GASPER PERRONE, MOUNT CLEMENS, MICH.

The CHAIRMAN. Next witness.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. PERRONE. I do.

The CHAIRMAN. What is your full name, please?

Mr. PERRONE. Espano Gasper Perrone.

The CHAIRMAN. Where do you live?

Mr. PERRONE. I live at Mount Clemens territory.

The CHAIRMAN. How long have you lived there?

Mr. PERRONE. For about 25 years.

The CHAIRMAN. Where did you live before that?

Mr. PERRONE. Before that I used to live in Detroit.

The CHAIRMAN. I see. Where were you born?

Mr. PERRONE. I was born in Sicily.

The CHAIRMAN. Are you naturalized? Are you a naturalized citizen?

Mr. PERRONE. Yes, sir.

The CHAIRMAN. All right.

Now, will you be good enough to keep your voice up and talk loud enough so everybody can hear you?

Mr. PERRONE. Yes.

The CHAIRMAN. Counsel, will you proceed?

Mr. BURLING. Mr. Perrone, you have a criminal record, I believe?

Mr. PERRONE. Well, only one time I made a mistake and made a little whisky.

Mr. BURLING. And you got 6 years for it?

Mr. PERRONE. Well, they give me 6 years, but I got out in 2 years for good behavior.

Mr. BURLING. Was it good behavior?

Mr. PERRONE. Good behavior and parole.

Mr. BURLING. Was it good behavior or the intercession of Mr. Fry?

Mr. PERRONE. No; good behavior.

Mr. BURLING. But you had been arrested before that?

Mr. PERRONE. No.



Mr. BURLING. You were arrested in violation of the Draft Act?

Mr. PERRONE. That was just a little mistake.

Mr. BURLING. Will you describe that little mistake?

Mr. PERRONE. There was a little argument. I wasn't a citizen of the United States, and I had a little argument with the board.

Mr. BURLING. Becoming an American citizen was not important enough to you, so you can't remember when you were naturalized?

Mr. PERRONE. I think it was 25 years ago or more.

Mr. BURLING. At any rate you came to this country as a child, and you refused to serve in the armed services in the First World War?

Mr. PERRONE. I haven't refused. I just had a little argument.

Mr. BURLING. Think back.

Mr. PERRONE. I couldn't think. I don't remember.

Mr. BURLING. When you came to this country, did you take this as your adopted country?

Mr. PERRONE. Yes; I did.

Mr. BURLING. You can't remember the details of this little argument you had with the draft officials?

Mr. PERRONE. No.

Mr. BURLING. What are your brothers' names?

Mr. PERRONE. One is Santo.

Mr. BURLING. Yes?

Mr. PERRONE. Matthew.

Mr. BURLING. And Espano?

Mr. PERRONE. That is me.

Mr. BURLING. Can you remember a little arrest in January—January 12, 1920, for murder?

Mr. PERRONE. I don't remember.

Mr. BURLING. Well, were you or were you not arrested on the charge of murder in 1920?

Mr. PERRONE. I don't remember.

Mr. BURLING. Do you mean to say under oath that you can't remember whether you were arrested for murder?

Mr. PERRONE. I don't remember.

Mr. BURLING. Mr. Chairman, on at least one other case, the committee has recommended to the United States attorney, the prosecution, for perjury when a witness says he can't remember something he obviously remembers. I request the Chair to admonish the witness to tell the truth.

The CHAIRMAN. Yes. Mr. Perrone, you understand very clearly, and you are a man of experience. You are undoubtedly able to understand and to know what is being asked of you. In such an important matter as that, there is no question but that you can have a recollection of it. Now, we expect you to answer the questions truthfully and directly, and not to evade by saying that you don't remember, because if you do say that regarding such a matter, the committee can't lend any credence to it at all, because it is not worthy of belief.

Now, please answer the question.

Mr. PERRONE. Well, I don't remember. I told you I don't remember that I was arrested for murder, because—

Mr. BURLING. It didn't happen or it is just vague in your mind?

Mr. PERRONE. I would remember if I was arrested for murder.

Mr. BURLING. Do you deny that you were arrested?

Mr. PERRONE. I don't deny it. I say I do not remember.

Mr. BURLING. Will you look at this police photograph, No. 19227, and see whether it is a photograph of you.

Mr. PERRONE. It looks like me.

Mr. BURLING. Well, doesn't it look——

The CHAIRMAN. We must ask the audience to refrain from audible laughing.

Mr. BURLING. Don't you remember whether the police took your photograph on October 31, 1942?

Mr. PERRONE. Well, if they got the picture, they must have taken it.

Mr. BURLING. You are not in any doubt that that is your photograph, are you?

Mr. PERRONE. No.

Mr. BURLING. May I ask that that photograph and the attached police record be marked and put into evidence?

The CHAIRMAN. Yes; it will be admitted and marked as an exhibit.

(The document identified was thereupon received in evidence as exhibit No. 13, and appears in the appendix on p. 273.)

Mr. BURLING. Can you read and write? Can you read an English-language newspaper?

Mr. PERRONE. Yes.

Mr. BURLING. Can you write in English?

Mr. PERRONE. Not very much.

Mr. BURLING. After the murder arrest, were you arrested on the charge of armed robbery on January 8, 1931?

Mr. PERRONE. No, sir; I don't remember that.

Mr. BURLING. If the police record says that, it is wrong; is that right?

Mr. PERRONE. What?

Mr. BURLING. If the police record has it here, it is wrong; is that right?

Mr. PERRONE. I must have been.

Mr. BURLING. And how about January 27, 1932, investigation of armed robbery?

Mr. PERRONE. I don't remember that either.

Mr. BURLING. Perhaps here is one that you will remember. You were arrested by the United States marshal or detained by him on December 6, 1935, on a charge of making a little whisky.

Mr. PERRONE. That's right. I admit that.

Mr. BURLING. And you remember Judge Lederle, do you not?

Mr. PERRONE. Yes.

Mr. BURLING. And he sent you up for 6 years; is that right?

Mr. PERRONE. Yes.

Mr. BURLING. Then you have been arrested a couple of times since you got out of jail; is that right?

Mr. PERRONE. No, sir.

Mr. BURLING. Only once?

Mr. PERRONE. I don't remember.

Mr. BURLING. You don't remember?

Mr. PERRONE. I have never been arrested.

Mr. BURLING. Perhaps I can refresh your recollection.

Mr. PERRONE. All right.

Mr. BURLING. There was a locker in the stove works which you, Sam, and your other brother—what is his name?

Mr. PERRONE. Matthew.

Mr. BURLING. Matthew?

Mr. PERRONE. Yes, sir.

Mr. BURLING. The three of you had access to this locker, and there was a fire in the stove works, and there was a false bottom in one of the lockers, and three guns were found in there fully loaded. Does that refresh your recollection?

Mr. PERRONE. I never seen a gun loaded—the FBI got a charge there, and I was free. I had nothing to do with it.

Mr. BURLING. The question isn't what the FBI did. We are fully acquainted with the FBI record on it.

Mr. PERRONE. Yes, sir.

Mr. BURLING. The question is, Does it refresh your recollection that you were arrested in 1942?

Mr. PERRONE. They questioned me and let me go.

Mr. BURLING. What were you doing with those guns in the locker?

Mr. PERRONE. I had no guns in the locker.

Mr. BURLING. What was your brother Matthew doing with guns in the locker?

Mr. PERRONE. I don't know. I guess the FBI got a record of that stuff. I don't know. I couldn't explain nothing about that.

Mr. BURLING. Did you ever ask Matthew why he had three guns in the locker?

Mr. PERRONE. No; I never asked him.

Mr. BURLING. With a false bottom on it?

Mr. PERRONE. No; I never asked him.

Mr. BURLING. Weren't you curious?

Mr. PERRONE. No; the FBI took care of everything.

Mr. BURLING. You didn't bother to ask him?

Mr. PERRONE. He told the FBI why he had them there and so on and so forth. That's all I know about them.

Mr. BURLING. But you never asked him yourself why he had those guns in the locker?

Mr. PERRONE. No; I never asked him.

Mr. BURLING. Were those for goon squad work?

Mr. PERRONE. I don't know.

Mr. BURLING. What was your income last year?

Mr. PERRONE. In 1950?

Mr. BURLING. Well, let's say 1949.

Mr. PERRONE. In 1949 it must have been around \$20,000.

Mr. BURLING. How much?

Mr. PERRONE. Twenty, I said. I don't remember just how much it was.

Mr. BURLING. Well, about. I didn't hear you.

Mr. PERRONE. It must have been around twenty, I guess.

Mr. BURLING. About \$20,000?

Mr. PERRONE. Yes.

Mr. BURLING. Now, how many Cadillacs do you have?

Mr. PERRONE. I ain't got no Cadillac.

Mr. BURLING. What kind of cars do you have?

Mr. PERRONE. I drive a Buick.

Mr. BURLING. How many Buicks do you have?

Mr. PERRONE. Just one.

Mr. BURLING. Any other car?

Mr. PERRONE. The wife has a 1948 Packard.

Mr. BURLING. She has a Packard and you have a Buick?

Mr. PERRONE. We live out in the country, and she has to have a car.

Mr. BURLING. And you have a Chris Craft speedboat; is that right?

Mr. PERRONE. Yes. I have been having boats since I have been married.

Mr. BURLING. When were you married?

Mr. PERRONE. Around 1920.

Mr. BURLING. Did you do any liquor running in the boats during prohibition?

Mr. PERRONE. No, sir.

Mr. BURLING. How about aliens since then?

Mr. PERRONE. No, sir. I never crossed the American side.

Mr. BURLING. You have never been in Canada?

Mr. PERRONE. Never been in Canada. Haven't been nowhere. My boat is right in front of my own place.

Mr. BURLING. You never go for a ride? It is just tied up?

Mr. PERRONE. I just go out to the channel. It is just about 10 miles.

Mr. BURLING. How long have you been working for the Michigan Stove Works?

Mr. PERRONE. Over 40 years.

Mr. BURLING. Have you ever seen any labor trouble around there?

Mr. PERRONE. Never seen any labor trouble—maybe a little wildcat strike.

Mr. BURLING. Oh, you have heard of a wildcat strike?

Mr. PERRONE. But we didn't have any trouble at all.

Mr. BURLING. You never heard of any violence around there?

Mr. PERRONE. I never heard of it.

Mr. BURLING. Just one little wildcat strike which didn't amount to anything?

Mr. PERRONE. That's right.

Mr. BURLING. No workers were beaten up?

Mr. PERRONE. I never heard of it.

Mr. BURLING. You never heard of it?

Mr. PERRONE. No.

Mr. BURLING. You were a core maker. Are you still working as a core maker for the stove works?

Mr. PERRONE. I am core manufacturer for the stove works right now.

Mr. BURLING. They took the core manufacturing operation out of their own works and gave it to you as a contract, is that it?

Mr. PERRONE. I have no contract. We have just a verbal agreement.

Mr. BURLING. That is between you and whom?

Mr. PERRONE. Me and the superintendent.

Mr. BURLING. Who is he?

Mr. PERRONE. Candler.

Mr. BURLING. Not with Fry?

Mr. PERRONE. Not with Fry. I do business with Mr. Candler.

Mr. BURLING. But the core-manufacturing operation is just the same as it was before you got the verbal agreement, is it not?

Mr. PERRONE. No; before they used to pay piecework, you know. Then when I took over, they pay me so much each stove that I produce.

Mr. BURLING. For each stove produced? You do not own the equipment, do you?

Mr. PERRONE. I don't own nothing.

Mr. BURLING. You don't own the real estate or plant or equipment?

Mr. PERRONE. Nothing.

Mr. BURLING. You don't own the material that you work on, do you?

Mr. PERRONE. Nothing. The company furnishes everything. I only furnish by labor and core makers.

Mr. BURLING. In other words, what you do is to provide laborers who work with company equipment, inside the company plant, on company material, and you get so much per stove?

Mr. PERRONE. That is right. I hire my own men and pay my own men and work my own men.

Mr. BURLING. The company does your bookkeeping?

Mr. PERRONE. No; I do my own bookkeeping.

Mr. BURLING. Who does that for you?

Mr. PERRONE. Marie Stock, in Mount Clemens.

Mr. BURLING. Will you spell that?

Mr. PERRONE. Marie Stock.

Mr. BURLING. Will you spell it, please?

Mr. PERRONE. S-t-o-h, I guess, something like that. You got a note of her name in the book.

Mr. BURLING. You cannot spell your bookkeeper's name?

Mr. PERRONE. Marie Stock.

Mr. BURLING. Is it not a fact that the company maintains all your records and keeps all your books?

Mr. PERRONE. No. I keep all my own books.

Mr. BURLING. Your income from this verbal agreement is about \$20,000 a year?

Mr. PERRONE. Well, it depends the way the business is. Sometimes I make more; sometimes I make less. It depends how much business they do.

Mr. BURLING. What do you contribute to the Michigan Stove Works that they should pay you \$20,000 a year?

Mr. PERRONE. Well, I put in hard work like any man.

Mr. BURLING. Does any other coremaker make \$20,000 a year?

Mr. PERRONE. I am not a coremaker. I am a core manufacturer. I manufacture the core.

Mr. BURLING. Most manufacturers use their own factories.

Mr. PERRONE. Well, with this agreement we have that they furnish me everything. I furnish my brains because I been working on that coremaking since I was a kid and I learned the trade and I know when we got talking that they had to send the work out to get close to the foundry in the corerroom. I asked, "Why don't you let me run? I save you money." So they give me trial and I prove that I save them lot of money. I make money because I work 10 or 12 hours a day. Just see my hands [indicating]. I work with the men. See my hands.

The CHAIRMAN. That will conclude your testimony. You are excused.

(Witness excused.)

#### TESTIMONY OF JOHN A. FRY, DETROIT, MICH.

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FRY. I do.

The CHAIRMAN. Your full name, sir?

Mr. FRY. John A. Fry.

The CHAIRMAN. Mr. Fry, what is your business address?

Mr. FRY. 6900 East Jefferson, Detroit, Mich., Stove Co.

The CHAIRMAN. What position do you hold?

Mr. FRY. President.

The CHAIRMAN. For what period of time have you been president of the company?

Mr. FRY. 15 years.

The CHAIRMAN. How long have you been associated with the company in any capacity?

Mr. FRY. 46 years.

The CHAIRMAN. Thank you very much. Now, counsel, will you proceed?

Mr. BURLING. Would you tell us about how large, in terms of workers employed at the stove company, work is?

Mr. FRY. Numerically?

Mr. BURLING. Yes, please.

Mr. FRY. Around 1,000. That may vary.

Mr. BURLING. What would the figure be back in the middle thirties, during the depression?

Mr. FRY. I'd have to guess at that. I'd say probably half that.

Mr. BURLING. Somewhere in the neighborhood of 500?

Mr. FRY. Yes.

Mr. BURLING. I characterized the company earlier today, on the basis of what I have been told, as the largest nonautomotive plant in Detroit. Is that correct or not?

Mr. FRY. I think not. It is a good-sized plant.

Mr. BURLING. Now, will you tell us what the labor picture is today at your plant?

Mr. FRY. In what respect?

Mr. BURLING. What is the state of unionization and nonunionization?

Mr. FRY. We have a union in the foundry. The rest is nonunion.

Mr. BURLING. How many workers are there in the foundry?

Mr. FRY. Oh, I would imagine 75 to 80.

Mr. BURLING. What union are they in?

Mr. FRY. They are in the iron molders union.

Mr. BURLING. Would it be fair to say that your company is the largest nonunion company or the least unionized of the large plants in Detroit?

Mr. FRY. I don't know.

Mr. BURLING. You would not quarrel with me if I said it—

Mr. FRY. I couldn't because I wouldn't know.

Mr. BURLING. How long have you known the Perrone brothers?

Mr. FRY. Well, I can date that probably by the terms of my employment. I think they came probably a few years after I did—the number of years. I couldn't give you the information but I would assume it is upward of 40 years.

Mr. BURLING. You are aware that Sam Perrone is barely able to read and write?

Mr. FRY. Yes.

Mr. BURLING. And has virtually no education?

Mr. FRY. Yes. Perrone started working when he was a boy.

Mr. BURLING. Well, it is certainly no discredit and the committee is certainly not set up to criticize persons with no education. We wanted to know if you know that. Now, there were two witnesses today who testified that they never heard of any labor trouble at your plant. One of them said he never heard of any and the other said he heard of one wildecat strike that did not amount to anything. Will you tell us what the history of labor troubles since 1930 has been?

Mr. FRY. Well, we had a strike there. I don't know the year. I would say it was in the thirties, some time or other.

Mr. BURLING. Well, how many men went out?

Mr. FRY. Probably 25 percent.

Mr. BURLING. Did you endeavor to keep running?

Mr. FRY. We did.

Mr. BURLING. Did any bloodshed ensue—any violence of any sort?

Mr. FRY. I didn't see any.

Mr. BURLING. Did you ever hear of any?

Mr. FRY. No; I didn't.

Mr. BURLING. Did anybody ever tell you that somebody was beaten up in connection with that strike?

Mr. FRY. Well, the only thing I could say, I know nothing of it. If there were any beatings, it was on the part of the strikers.

Mr. BURLING. Perhaps the strikers beat the people who were trying to go to work. I don't know. I want to know if there was any labor trouble and if you have been there 46 years and have been president for 15, you surely know.

Mr. FRY. Well, as I said, there was a strike.

Mr. BURLING. Was there any violence?

Mr. FRY. Not that I know of.

Mr. BURLING. You never heard of any violence in connection with labor disputes at your company?

Mr. FRY. No.

Mr. BURLING. No one, even if he was wrong, ever told you; is that right?

Mr. FRY. That is right.

Mr. BURLING. By the way, it was the Mechanics' Educational Society of America that was trying to organize at that time; is that right?

Mr. FRY. That is right.

Mr. BURLING. That is the strike that pulled out about 25 percent of your men?

Mr. FRY. Yes.

Mr. BURLING. The rest of your men went through the picket line?

Mr. FRY. They did.

Mr. BURLING. Is it not true that new men recruited were recruited by Sam Perrone to cross the picket line?

Mr. FRY. No.

Mr. BURLING. Did you ever talk to Sam Perrone about recruiting men to go across the picket line?

Mr. FRY. No, sir.

Mr. BURLING. At any rate, is it not true that after a while this strike was broken and the men returned to work?

Mr. FRY. A good many of them came back.

Mr. BURLING. The picket line was removed and you resumed the full operation.

Mr. FRY. That is right.

Mr. BURLING. Is it not true pretty soon after that Sam Perrone who had no capital and no experience in scrap, who could not read nor write, was given your scrap haul-away contract?

Mr. FRY. Yes, I think it was about that time. I didn't make the deal myself. I think it was about that time.

Mr. BURLING. Of course, you perceive, sir, that is an extraordinary coincidence as to those two events, these—the breaking of the strike and the giving of a valuable contract to an illiterate man with a criminal record?

Mr. FRY. I don't know whether the thing happened before or afterward, I am sure.

Mr. BURLING. Did you ever have any discussion with anyone concerning using Sam Perrone in connection with labor problems at the Detroit, Mich., stove works?

Mr. FRY. No, sir.

Mr. BURLING. What was scrap worth in 1934, if you take an average?

Mr. FRY. I wouldn't know.

Mr. BURLING. Well, are you aware that the scrap was sold to Perrone at a price considerably less than the market price?

Mr. FRY. I think, taking into account the price of the scrap and the other work that they had with trucking and hauling and other things went into the cost picture and I think in consequence of that, why, probably the scrap price was less than the market.

Mr. BURLING. You mean that he was given scrap at a price less than market but he did other services also for the stove works?

Mr. FRY. There was the type of scrap you have to take into account—small ends and cuttings that weren't baled.

Mr. BURLING. Were you president at the time the scrap contract was given to Sam Perrone?

Mr. FRY. I don't know when the date was, sir.

Mr. BURLING. Do you remember whether you were president?

Mr. FRY. I think not.

Mr. BURLING. What was your position before you were president?

Mr. FRY. Vice president.

Mr. BURLING. Did you inquire into the circumstances under which Sam Perrone got the scrap contract at that time?

Mr. FRY. I knew he got it.

Mr. BURLING. Did you ever ask anybody why this illiterate manual laborer, with no experience in the scrap business, should be given the scrap contract?

Mr. FRY. Well, as I say, sir, it was the combination of the deal with the type of scrap we were having and the details I didn't work out at all. Our factory manager worked it out.

Mr. BURLING. Did it not strike you as odd that this relatively major contract was given to a man of this character who had a considerable record?

Mr. FRY. Not necessarily. We put the details of the manufacturing and those things up to the subordinates who handled the thing.

Mr. BURLING. You have known Sam Perrone for years before that?

Mr. FRY. Oh, yes.

Mr. BURLING. You knew he could not read nor write and did it not strike you as odd he got this contract?

Mr. FRY. I don't think so.



The CHAIRMAN. Do you know of his record?

Mr. FRY. What record?

The CHAIRMAN. Criminal record?

Mr. FRY. No.

Mr. BURLING. At any rate, after he got the contract, you knew he was sent away for 6 years, did you not?

Mr. FRY. Yes, I knew that.

Mr. BURLING. You did not disturb the contract, did you, as president?

Mr. FRY. No, I did not. That was again handled by the factory manager.

Mr. BURLING. You did not think it appropriate to look into the contract when the man who had the contract was sent to jail for 6 years?

Mr. FRY. What was the charge?

The CHAIRMAN. Violation of a Federal law.

Mr. BURLING. Conspiracy to violate the Internal Revenue Act and he was sentenced by Judge Lederle, in whose court we are now sitting. Well, at any rate, when the Perrones got out of jail, they were taken right back into the factory; is that correct?

Mr. FRY. I believe it is.

Mr. BURLING. When Judge Lederle was considering the sentence to be imposed upon them, you wrote a letter designed to secure a minimum sentence; is that right?

Mr. FRY. I appealed for them; yes.

Mr. BURLING. You also interceded on their behalf at the time their parole was being considered; is that right?

Mr. FRY. I think that is right.

Mr. BURLING. Why were you so anxious to help these criminals?

Mr. FRY. Well, I didn't help them on the basis of being criminals. I helped them on the basis of the fact they had been employees of ours for a good many years and did very excellent work. They are efficient workmen.

The CHAIRMAN. I would like to ask a few questions concerning the listing of quite a number of illegal aliens who were employed simultaneously at the plant. Are you familiar with this listing that has been produced here?

Mr. FRY. No.

The CHAIRMAN. I show you exhibit No. 14 and I think it will show that there were 14 illegal aliens employed at the company at one time, as testified to by the immigration officials here this evening.

Mr. FRY. I don't know any of them.

The CHAIRMAN. Was any investigation made by your company to ascertain the status of the employees?

Mr. FRY. Yes, I think this is the policy: We hire both male and female regardless of race, creed, or color. No. 1, they have to have social security numbers—social security cards; and No. 2, a physical examination; No. 3, they have to perform their duties efficiently up to the standards that we expect of them.

The CHAIRMAN. Did either of the Perrones have any thing to do with the—with obtaining the service of these individuals?

Mr. FRY. I am sure not.

The CHAIRMAN. Have you any explanation to offer as to why so many would be in the one plant at the one time?

Mr. FRY. I wouldn't know the details.

Mr. BURLING. Mr. Fry, will you look around over there and see if you recognize a circuit judge of this county?

Mr. FRY. There is Judge Murphy.

Mr. BURLING. Do you recall that you testified before his one-man grand jury?

Mr. FRY. That is right.

Mr. BURLING. Now, did you testify before him to the same effect that you have testified here today?

Mr. FRY. I am sure I did, because I am telling the facts.

Mr. BURLING. You are sure you did?

Mr. FRY. Yes.

Mr. BURLING. I want to ask you again very carefully whether you ever asked the Perrones to do anything with respect to any labor problems?

Mr. FRY. I didn't.

Mr. BURLING. Did you ever ask them to help recruit people who would cross the picket line?

Mr. FRY. No, sir.

Mr. BURLING. Did you ever have a serious strike?

Mr. FRY. The only one that I referred to.

Mr. BURLING. You did have a serious strike?

Mr. FRY. Well, if you call it serious.

Mr. BURLING. You would call it serious?

Mr. FRY. It was a strike.

Mr. BURLING. Was it serious?

Mr. FRY. Well, any strike I think is serious.

Mr. BURLING. You would call whatever strike you had, serious; wouldn't you?

Mr. FRY. Well——

Mr. BURLING. Please don't fence with me.

Mr. FRY. I am not trying to fence with you.

Mr. BURLING. Did you ever tell Judge Murphy under oath that you had a serious strike?

Mr. FRY. Well, if I used the word "serious,"; yes.

The CHAIRMAN. Apart from the fact of whether you asked Perrone to help, did he actually help?

Mr. FRY. No.

The CHAIRMAN. In regard to any labor trouble?

Mr. FRY. No; they did not.

The CHAIRMAN. Was the contract that was given him given in recognition of anything he had done, other than the performance of the regular work at the plant?

Mr. FRY. No, sir.

The CHAIRMAN. Was there given for anything outside, or any assistance he had given you in labor difficulties?

Mr. FRY. No, sir.

Mr. BURLING. Now, because of the possibility of a prejury indictment—there are United States attorneys present—I want to be sure that you understand carefully what I am asking you. Did you ever ask the Perrones to recruit any strikebreakers?

Mr. FRY. No.

Mr. BURLING. You say that on your oath?

Mr. FRY. Yes.

Mr. BURLING. Did you tell Judge Murphy that you did do that?

Mr. FRY. That I did do it?

Mr. BURLING. Yes, sir.

Mr. FRY. I am sure not.

Mr. BURLING. Well, I want to read to you from the minutes. I am reading page 943 of the Judge Murphy one-man grand jury.

The CHAIRMAN. Counsel, will you give the date for the benefit of the witness?

Mr. BURLING. This testimony was taken in room 1974, National Bank Building, city of Detroit, Mich., Tuesday, December 17, 1946. It was held before the Honorable George B. Murphy, circuit court, sitting as a one-man grand jury, and the assistant prosecuting attorney, Mr. Ralph Garber, who is doing the questioning.

Q. Did you have a strike about that time?

A. Yes, sir.

Q. Quite a serious strike?

A. Yes.

Q. And the Perrones were interested in that strike; weren't they?

A. In what way?

Q. They took an active part in breaking that strike?

A. No, I wouldn't say that. I called on the Perrones, if this is the strike you are talking about, and that is the only one we have had, I think.

Now, did you call on the Perrones in connection with that strike?

Mr. FRY. I don't know what the wording "called on" means, but they had no active participation in the strikes at all.

Mr. BURLING. The question wasn't whether they participated. The question was whether you talked to them about it.

Mr. FRY. No.

Mr. BURLING. Would you testify that you didn't testify before Judge Murphy, as I have read to you?

Mr. FRY. Well, no; I couldn't testify to that.

Mr. BURLING. The reporters were G. L. McGuire and Margaret Cameron. You don't deny your testimony, in other words?

Mr. FRY. Oh, no; I testified.

Mr. BURLING. Now, did you ask any of them if you could get help to come in—any people in your plant, including the Perrones?

Mr. FRY. Well, we asked all employees if they knew of anybody that wanted to work in the plant. That is customary.

Mr. BURLING. I am talking about strikebreakers.

Mr. FRY. Yes; it would be.

Mr. BURLING. You did talk to them in the plant about that, including the Perrones; isn't that right?

Mr. FRY. No.

Mr. BURLING. You didn't?

Mr. FRY. No.

Mr. BURLING. All right, I will read you this, then:

The COURT. In 1934, wasn't it?

Answer. What is that?

The COURT. 1934?

Answer. I would say about that, this MESA drive to get us to recognize their outfit. They were trying to get us to recognize them. They wanted recognition, and it was entirely out of line in every respect—their demands were—and we refused, and they threw a picket line around the place, pulled most of the men out, and we made up our mind we weren't going to cooperate on the basis they wanted, and we were not going out of business, and I talked with some of the fellows in the plant, including the Perrones, and I wanted to know whether or not we could get some help to come in, and they said they thought they could.

Did you give that testimony?

Mr. FRY. I certainly must have.

Mr. BURLING. Does that refresh your recollection that you asked the Perrones to include strikebreakers?

Mr. FRY. I think probably it does. I probably asked them to take a few people in who wanted to go along to work with the other employees we might have asked for.

Mr. BURLING. Was there any violence in connection with that strike?

Mr. FRY. There was no violence, except the possibility of violence on the outside, on the part of the picket line.

Mr. BURLING. Surely you know whether there was violence in connection with this strike if you were the first vice president.

Mr. FRY. What kind of violence do you refer to as violence? There may have been some scraps outside.

Mr. BURLING. Tell us, were there any?

Mr. FRY. I imagine there were.

Mr. BURLING. You told Judge Murphy as follows:

(By Mr. Garber:)

Question. There was quite a lot of rioting and bloodshed?

Answer. There was some fights outside the gate on the part of pickets attacking the men when they came in to lunch. I think after the first day we had 75 or 80 policemen around the plant guarding the employees working against any attacks on the part of strikers.

Is that correct?

Mr. FRY. That is right.

Mr. BURLING. So that the witness that testified that in the past 40 years, he had been working in your plant and he had never heard of labor trouble of any sort, would you say would be a plain liar? Would you agree with that?

Mr. FRY. He should know what was going on.

Mr. BURLING. Would you agree that a worker who had been working for the past 40 years in the stove works and said he never heard of labor trouble in the plant is just a plain liar?

Mr. FRY. If he was there at the time, he certainly would see it.

Mr. BURLING. He would see it if he was working right along?

Mr. FRY. Yes.

Mr. BURLING. Then there is no escaping that conclusion; is there?

Mr. FRY. I think so.

Mr. BURLING. Both Perrones, particularly Sam Perrone, who today has your scrap contract, said that. According to your own conclusions, he has committed perjury before this committee; is that not so?

Mr. FRY. If that is what you call it, then that is what it is.

Mr. BURLING. Perjury is lying under oath before a Senate committee.

Mr. FRY. Then, yes.

Mr. BURLING. You would be prepared to testify in a perjury prosecution, I suppose, would you not, if you were called on by the United States attorney?

Mr. FRY. Certainly.

Mr. BURLING. You know there was a strike, which was serious and pulled most of your men out, and you had to have 70 or 80 policemen around your plant. You know that; do you not?

Mr. FRY. I don't know how many there were.

Mr. BURLING. You estimated back in 1946 when your memory was somewhat fresher, and this was somewhat fresher in your mind, and said that there were 75 or 80.

Mr. FRY. That could have been.

Mr. BURLING. That is labor trouble; is it not?

Mr. FRY. Yes.

Mr. BURLING. Did the Perrones get a lot of Italian people to come in to go to work in connection with that strike?

Mr. FRY. There were a lot of Italian people that came in. Whether they got them or not, I do not know.

Mr. BURLING. That is not exactly what you said to Judge Murphy, is it?

Mr. FRY. I cannot recall.

Mr. BURLING. Perhaps I can refresh your recollection. This is from page 945:

Question. And the Perrones played rather an active part in that, did they not, Mr. Fry?

Answer. They got a lot of people to come in and go to work.

Question. Would you say Italian people?

Answer. I imagine most of them were Italians. There were other kinds, not only Italians.

Is that true?

Mr. FRY. It must be; if I testified to that, it is true.

Mr. BURLING. Certainly you do not want to go back on your testimony which you gave His Honor.

Mr. FRY. That is right.

The CHAIRMAN. Do you know what Italian people they got and who the people were whose services they acquired?

Mr. FRY. No; I wouldn't know.

The CHAIRMAN. If you do not know, why is it then that you said in answer to my question before that you were certain that they did not get these illegal aliens?

Mr. FRY. I said I do not know anything about that, sir.

The CHAIRMAN. Didn't you go further and supplement it by saying that you believe they did not get them?

Mr. FRY. Well, in other words, there was no pressure on the part of them to hire for us—to hire these people; that is what I actually meant.

The CHAIRMAN. As far as you know, they may have acquired some of these in acquiring the services of the Italian people?

Mr. FRY. Yes.

The CHAIRMAN. I mean illegal aliens.

Mr. FRY. I wouldn't know, sir.

The CHAIRMAN. But, I say, they may have?

Mr. FRY. They may have, of course. I don't know what their—

Mr. BURLING. When did the two Perrone brothers go to jail?

Mr. FRY. I don't know what year it was.

Mr. BURLING. Would the year 1937 sound right?

Mr. FRY. Well, if that is what the record says, it must have been.

Mr. BURLING. I believe that is right. The police record for Gasper Perrone shows he was received at Leavenworth in February 1937. I believe he first went to Milan, Mich., and then shortly thereafter was shipped to Leavenworth.

Now, after they went to jail, did the CIO come in?

Mr. FRY. Afterward?

Mr. BURLING. Yes.

Mr. FRY. Well, they did come in, but I don't know—my recollection isn't clear on the year they came in.

Mr. BURLING. At some point a CIO union came into your factory; is that right?

Mr. FRY. That is right.

Mr. BURLING. But you don't know it was before the Perrone brothers left, or while they were in jail, or after they got out?

Mr. FRY. I don't know.

Mr. BURLING. Would it refresh your recollection if I told you it was right after they went to jail?

Mr. FRY. Well, I don't recall the year.

Mr. BURLING. You don't feel in the position to deny that, at any rate?

Mr. FRY. No; I wouldn't deny it. I don't know the dates.

Mr. BURLING. At any rate, after a while they got out of jail?

Mr. FRY. Yes.

Mr. BURLING. That was about 1939; is that right?

Mr. FRY. Well, if that is the record; yes. I am not clear on the dates.

Mr. BURLING. Would you deny that, pretty soon after that, the CIO union disappeared?

Mr. FRY. I don't know date on that either.

Mr. BURLING. And the scrap business was given to Sam Perrone about the time of the strike; is that right; or a little after?

Mr. FRY. Well, I can't remember the date.

Mr. BURLING. Well, do you remember when you were asked by Judge Murphy or in Judge Murphy's presence?

Mr. FRY. I would go back to the testimony I gave to Judge Murphy at the time because it was fresher in my mind then.

Mr. BURLING. All right, then let's read it [reading]:

Question. When was that scrap business given to them relative to this fight or this strike?

Answer. I think about the time of the strike.

Question. After the strike?

Answer. I think so.

Now, does that refresh your recollection?

Mr. FRY. Well, that would be it.

Mr. BURLING. Now, you were asked before Judge Murphy:

Question. Was that given to them as a sort of reward for their service?

Now, do you remember what answer you gave to that?

Mr. FRY. No; I do not.

Mr. BURLING. What answer would you give if I asked you that now?

Mr. FRY. I'd say that I didn't make the award to them, so I wouldn't know. Now, it all depends what the answer in there is, whatever it is.

Mr. BURLING. I asked you what answer would you give now. What answer would you give now when I ask you the same question that Mr. Garber put to you?

Mr. FRY. I would say "no" now.

Mr. BURLING. Were you general manager at the time of the strike?

Mr. FRY. 1934?

Mr. BURLING. Yes.

Mr. FRY. I was vice president and general manager, I think.

Mr. BURLING. But you wouldn't know why the scrap contract was given to the Perrones?

Mr. FRY. No. It was handled through the factory manager.

Mr. BURLING. What was his name?

Mr. FRY. Candler.

Mr. BURLING. Well, the answer you gave Judge Murphy, and I am reading from page 946, in answer to the question:

Was that given to them as a sort of reward for their service?

Answer. Not necessarily. As I said before, from dealing with this thing, they approached us on the proposition. The deal made was a more economical operation to the company.

But then, on page 947, you were asked this question:

Are they paying anywhere near the amount of the current price?

Answer. No.

Do you recall that?

Mr. FRY. Yes.

Mr. BURLING. That is right, isn't it?

Mr. FRY. Yes.

Mr. BURLING. I have no further questions.

The CHAIRMAN. Mr. Fry, that certainly requires an explanation from you as a successful businessman. Can you offer the committee no other reason for the grant of a contract of such sizable proportions to a person of the type that Perrone has been shown to be here, and from which his income—he has testified it was some \$60,000 a year made principally from your company, in the interests of which you are duty bound to safeguard the interests of your stockholders, to allow a man of such ill repute and criminal record and shady past to profit on your company's operations after having aided you in labor trouble, as he has, and you don't think that there is any further explanation needed as an upstanding businessman who, I am sure, wants to maintain the reputation of a decent citizen?

Mr. FRY. Yes; I can explain it this way: I think if you take the whole package into account, trucking, the cleaning up in the yard, the several things that have to be performed in connection with foundry dirt and scrap; refuse is taken out, interplant hauling, and one thing or another, on the basis of what the cost is to us if we ran our own trucks or did our own work in that respect, the cost would be favorable on the basis of what the cost is to us if we ran our own trucks or did our own work in that respect, the cost would be favorable on the basis of what the contract is.

The CHAIRMAN. I would hate to be one of your stockholders if that is the basis of your operation. Have you no better explanation to make than that? Because, frankly, it doesn't make sense.

Mr. FRY. Well, that is it. The figures will prove that out.

The CHAIRMAN. Well, all right. It certainly gives rise to another inference, Mr. Fry, in all due respect to you, and we want to give you an opportunity because I don't want to leave you under a cloud or leave any false impression. It looks like some other motivating consideration was in operation. Now, tell us whether it was because you or anybody that had reason to fear the Perrones by reason of what they might do, or had something for which you had to pay them off, and it was a pay-off?

Mr. FRY. I am sure there was no fear on the part of anybody.

The CHAIRMAN. Was it a pay-off?

Mr. FRY. I wouldn't call it that.

The CHAIRMAN. Well, could you call it that? Would that be one possible explanation?

Mr. FRY. No. I think it is all predicated on the cost.

The CHAIRMAN. Even though, after they got the contract, you knew that they were getting it at a price wholly out of line with the market price?

Mr. FRY. No. As I say, sir, the cost of the whole operation was comparable to what it would cost us if we did the work ourselves.

The CHAIRMAN. Did you ever review it and make any report to your directors on it?

Mr. FRY. We reviewed it from time to time, not recently.

The CHAIRMAN. Did you ever vary it or modify it in accordance with fluctuating market conditions?

Mr. FRY. I don't know whether it has been modified or not. I couldn't tell you the terms of the contract, sir.

The CHAIRMAN. As far as you know, it just went along, and they were profiting and have continued to profit, these illiterate people with criminal records, and they have been allowed to profit at your expense to that extent?

Mr. FRY. Well, I don't think it has been profiting at our expense.

The CHAIRMAN. Well, if you could have gotten a better price, you would have saved that much for your stockholders and for your business, would you not?

Mr. FRY. Yes, but we would have had additional costs with the other parts of the operation.

The CHAIRMAN. And you may have had some more labor trouble that they could have protected you from.

Mr. BURLING. Is it the fact that about the same time you gave Sam the scrap contract you made a contractual arrangement whereby, instead of operating your core-making plant, Gasper Perrone was to contract to make cores in your plant with your equipment, using your materials, at so much per stove, and he was to pay his own labor?

Mr. FRY. That is right.

Mr. BURLING. And that wasn't a pay-off either, I suppose?

Mr. FRY. I think no. I think we can prove that the thing, as a cost operation, is beneficial to the company.

Mr. BURLING. Now, do you know Mr. Dean Robinson?

Mr. FRY. Yes, sir.

Mr. BURLING. What is his position?

Mr. FRY. Dean is president of the Briggs Manufacturing Co.

Mr. BURLING. He is a good friend of yours, isn't he?

Mr. FRY. Yes; for a long time.

Mr. BURLING. You have known him for many, many years?

Mr. FRY. Yes.

Mr. BURLING. Did you ever discuss with him your labor troubles?

Mr. FRY. No. Maybe informally at some time or other, but we never had any discussion.

Mr. BURLING. Did he ever discuss with you his labor troubles?

Mr. FRY. No.

Mr. BURLING. You never suggested to him, did you, that the pattern of dealing with members of the Perrone family had solved your prob-



lems and that he would do well to take on another member of the family?

Mr. FRY. Certainly not.

Mr. BURLING. You never said anything like that?

Mr. FRY. No.

Mr. BURLING. That is all.

The CHAIRMAN. All right. Thank you, Mr. Fry.

(Witness excused.)

The CHAIRMAN. Carl Renda.

**TESTIMONY OF CARL RENDA, DETROIT, MICH., ACCOMPANIED BY  
SAMUEL L. TRAVIS, ATTORNEY, DETROIT, MICH.**

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. TRAVIS. Mr. Chairman, I would like, at the outset, if I may—I have a short statement I would like to make to the committee on behalf of Mr. Renda.

The CHAIRMAN. It is customary to have the interrogation proceed to a point where, if there is any particular matter that you desire to advise on, it is perfectly all right.

Mr. TRAVIS. It won't be necessary for me to advise Mr. Renda. He hasn't done anything wrong. But I have a little preliminary statement. It is very short. I would appreciate being able to read it into the record on behalf of Mr. Renda.

The CHAIRMAN. To what does it have reference; as to the reason for his appearance or anything?

Mr. TRAVIS. Yes; in that connection generally. I have a copy here, if you wish to read it.

The CHAIRMAN. Mr. Travis, this is perfectly in order. As a matter of fact, it is in accordance with the statement made by the committee to the effect that the appearance of the witness is not to be considered as casting any reflection upon him.

Mr. TRAVIS. I understand that. May I read it?

The CHAIRMAN. All right, go ahead.

Mr. TRAVIS. I wish to state at the outset that we have every desire to cooperate in this inquiry to the fullest extent possible. Unfortunately, however, there is a tendency in the public mind to associate the issuance of a subpoena by this committee with guilt or wrongdoing of some sort, regardless of actual facts. My client knows, I know, and I believe this committee must know, Mr. Renda has never been charged with an offense at any time, by either the government of the city of Detroit, State of Michigan, or the United States, and is free of any guilt in connection with this investigation or any other. His personal record, both in college and in business is perfectly clean and honorable in every respect. He is prepared to answer fully all questions put to him, as would any other law-abiding citizen.

Now, in fairness to his family, business associates and himself, I ask that the committee, at the conclusion of this testimony, either make an accusation or inform the public that there is no accusation against him, in order that any stigma that may attach from testimony here may be removed.

I appreciate, Mr. Chairman, the remarks you made before. They were very fair. But nevertheless, in spite of what the chairman says, people believe unjustifiably, I believe, that anybody who is here must have done something wrong, and I think that Mr. Renda, who has an outstanding character and a fine business is entitled to either an accusation or a statement that he is free of any guilt.

The CHAIRMAN. All right, then, Mr. Travis. What is your full name?

Mr. RENDA. Carl Renda.

The CHAIRMAN. Mr. Renda, what is your address?

Mr. RENDA. 587 Lochmoor Boulevard.

The CHAIRMAN. How long have you lived in the city?

Mr. RENDA. How long have I lived in the city?

The CHAIRMAN. Yes.

Mr. RENDA. About close to 10 years.

The CHAIRMAN. And prior to that, where did you live?

Mr. RENDA. Albion, Mich.

The CHAIRMAN. Were you born in this State?

Mr. RENDA. I was born in Detroit.

The CHAIRMAN. Very good. All right. Will you proceed?

Mr. BURLING. Will you state your age?

Mr. RENDA. Thirty-three.

Mr. BURLING. So that in 1945 you were 28, is that right?

Mr. RENDA. Twenty-seven or twenty-eight.

Mr. BURLING. When is your birthday?

Mr. RENDA. November 12.

Mr. BURLING. That makes you how old on April 7, 1945?

Mr. RENDA. Twenty-eight.

Mr. BURLING. When did you graduate from Albion College?

Mr. RENDA. 1941.

Mr. BURLING. You are Mr. Sam Perrone's son-in-law?

Mr. RENDA. That is correct.

Mr. BURLING. How long have you been married?

Mr. RENDA. Seven years.

Mr. BURLING. So, in 1945 you had been married 2 years?

Mr. RENDA. That is correct.

Mr. BURLING. Now, will you start from the time you left Albion College, and tell us about your career? By the way, did you take an engineer's course at Albion?

Mr. RENDA. Business administration.

Mr. BURLING. I see. Tell us what you did after you got out of college?

Mr. RENDA. When I got out of college, I was employed by National Twist Drill & Tool.

Mr. BURLING. Doing what.

Mr. RENDA. I was doing precision work there on cutters.

Mr. BURLING. You were a cutter?

Mr. RENDA. No. I was doing precision work. I was working on the lathe making cutters.

Mr. BURLING. Did you continue to do that until about 1945?

Mr. RENDA. That is right.

Mr. BURLING. In 1945, what was your salary or wage?

Mr. RENDA. Oh, I was making close to \$100 a week.

Mr. BURLING. Close to a hundred a week?

Mr. RENDA. Yes.

Mr. BURLING. Had you saved up any money?

Mr. RENDA. I saved up some; yes.

Mr. BURLING. About how much?

Mr. RENDA. I haven't the slightest idea.

Mr. BURLING. Certainly not more than \$5,000.

Mr. RENDA. In that vicinity.

Mr. BURLING. What?

Mr. RENDA. I would say in that vicinity; yes.

Mr. BURLING. I see. Now, is it the fact that you expected to be called up into the Army along about 1945 and then found—this is no reflection upon you—that you were found IV-F. I was myself. I want merely to know whether when you found you were called up you were rejected.

Mr. RENDA. Yes; I was rejected.

Mr. BURLING. And is it the fact that you then decided to go into business?

Mr. RENDA. It wasn't that; no.

Mr. BURLING. I see. At any rate, about that time you decided to go into business?

Mr. RENDA. That is right.

Mr. BURLING. You just thought it would be nice to have the Briggs Body Co. scrap contract; is that right?

Mr. RENDA. Any account that I could get.

Mr. BURLING. Well, you particularly thought of the scrap contract?

Mr. RENDA. It so happened that that is the one I struck.

Mr. BURLING. You went over to Briggs and said, "Can I have your scrap account"; is that right?

Mr. RENDA. Not in those words; no.

Mr. BURLING. Yes?

Mr. RENDA. I solicited them for the account.

Mr. BURLING. Who did you solicit?

Mr. RENDA. The purchasing agent. He is now deceased. His name was Cleary.

Mr. BURLING. I am sure he is now deceased. So is Mr. Herbert and so is Mr. Brown; is that right?

Mr. RENDA. Well, I know Mr. Herbert, but I don't know about Mr. Brown. I never met him.

Mr. BURLING. You never knew the then president, that he is dead?

Mr. RENDA. No; I didn't.

Mr. BURLING. What did Mr. Cleary say to you, and what did you say to him?

Mr. RENDA. I solicited from him the business. I wanted to be put on the bidding list. I prevailed upon him to be given that opportunity. I saw him a few times and in time I was put on this list, and I was able to bid in there.

Mr. BURLING. And you put in a lower bid than the existing bids; isn't that right?

Mr. RENDA. That I don't know. The bids were not exposed to me.

Mr. BURLING. Was it not? Didn't anybody tell you that for the past 18 or 20 years before you solicited Briggs for the scrap contract,

that there had been two main metal-scrap haul-away contractors, who had had the business regularly?

Mr. RENDA. They weren't born with that. They got it the same way I got it.

Mr. BURLING. I didn't ask you that. Did anybody tell you that Briggs, for a period of 18 or 20 years, had dealings with two principal metal-scrap haul-away people?

Mr. RENDA. No one told me that.

Mr. BURLING. When did you learn that for the first time, Mr. Renda?

Mr. RENDA. That I don't know. I don't remember that. That was one of the reasons why I was able to get the account, I might mention.

Mr. BURLING. You mean they had been doing a satisfactory business with a big haul-away concern for 18 or 20 years, so they wanted to take a 28-year-old boy with \$5,000 capital in?

Mr. RENDA. Not necessarily that, no. It had been known that there is collusion among these dealers around the city. They thought they could overcome it with my help in there.

Mr. BURLING. Who told you that?

Mr. RENDA. I worked it out with Mr. Cleary.

Mr. BURLING. Who said anything about collusion among bidders?

Mr. RENDA. How can it be possible that—

Mr. BURLING. I wonder if you would answer the question. Who told you that?

Mr. RENDA. Who told me?

Mr. BURLING. That there was collusion.

Mr. RENDA. It was rumored throughout the city.

Mr. BURLING. Did Mr. Cleary say anything to you?

Mr. RENDA. He felt that, yes.

Mr. BURLING. Did you ever hear the adage that it is a good idea always to blame something on a dead man?

Mr. RENDA. That is not the case in this particular case.

Mr. BURLING. Have you and Mr. Robinson agreed among yourselves to blame this on the dead man, Cleary?

Mr. RENDA. No.

Mr. BURLING. You deny that?

Mr. RENDA. I absolutely do.

Mr. TRAVIS. I don't think there is any testimony in the record to that effect.

The CHAIRMAN. Just a minute. We welcome participation, but we don't want any comments on the testimony. Any question which you think is improper you may object to.

Mr. BURLING. Now, did Cleary say anything to you, and if so, exactly what did he say about collusion among bidders?

Mr. RENDA. He felt there was something that was going on but he couldn't put his finger on it.

Mr. BURLING. Did you talk to anybody else at Briggs about that?

Mr. RENDA. No; I didn't.

Mr. BURLING. You never spoke to Mr. Robinson about it?

Mr. RENDA. No.

Mr. BURLING. Or Mr. Herbert about it?

Mr. RENDA. No.

Mr. BURLING. Or Mr. Lillygren about it?

Mr. RENDA. I didn't know Mr. Lillygren.

Mr. BURLING. At any rate, had you ever had any experience of any kind whatsoever in the scrap metal business?

Mr. RENDA. I didn't.

Mr. BURLING. At that time could you have told us the difference between ferrous and nonferrous scrap?

Mr. RENDA. Yes.

Mr. BURLING. Could you have classified scrap according to the price schedules?

Mr. RENDA. Yes.

Mr. BURLING. How did you learn that?

Mr. RENDA. Through the Iron Age and various other publications and through the help of other individuals.

Mr. BURLING. You read all that to begin with?

Mr. RENDA. That is right.

Mr. BURLING. But you had no practical experience of any sort?

Mr. RENDA. I did not.

Mr. BURLING. Is it not the fact that at a plant like Briggs the scrap is taken by the manufacturers from the machines and placed in bins, where the haulaway contractor picks it up?

Mr. RENDA. No.

Mr. BURLING. That is not the fact?

Mr. RENDA. No.

Mr. BURLING. Well, what is the fact?

Mr. RENDA. It is put in what is known as A boxes, B boxes, or C boxes and are taken to the dock and then dumped into your truck.

Mr. BURLING. Now, does the manufacturer do the dumping or the haulaway contractor?

Mr. RENDA. The haulaway contractor.

Mr. BURLING. He has the equipment to do that?

Mr. RENDA. That is right.

Mr. BURLING. Sometimes loading machines and sometimes magnetic cranes placed on caterpillar treads?

Mr. RENDA. They only have that in one of the plants.

Mr. BURLING. Briggs had it?

Mr. RENDA. That is right.

Mr. BURLING. All right, you didn't have any of that equipment?

Mr. RENDA. That is correct.

Mr. BURLING. And at that time you didn't have any trucks, did you?

Mr. RENDA. That is correct.

Mr. BURLING. Now, when you get the scrap loaded in your truck the haul-away contractor customarily takes it to his yard and classifies it; is that correct?

Mr. RENDA. That is right.

Mr. BURLING. There are a good many kinds of scrap that have to be further processed—either baled or sheared; is that correct?

Mr. RENDA. That is right.

Mr. BURLING. And any large-scale scrap operation requires a railroad siding, so that the scrap may be loaded?

Mr. RENDA. That is right.

Mr. BURLING. Did you have a railroad siding?

Mr. RENDA. No. I had made a deal with someone else that if I was able to get any accounts that I would do business with him.

Mr. BURLING. What is his name?

Mr. RENDA. Kramer Orloff.

Mr. BURLING. What is his name?

Mr. RENDA. The name of the company is Kramer Orloff.

Mr. BURLING. What is their address?

Mr. RENDA. It is on Buffalo Street. I don't remember the exact—

Mr. BURLING. Have you got any written evidence that you had such a deal?

Mr. RENDA. No.

Mr. BURLING. Who did you talk to at Kramer Orloff?

Mr. RENDA. I talked to both Dick and to Ben.

Mr. BURLING. Now, is it correct that you got a contract to remove the metal scrap and, in fact, all scrap from Briggs?

Mr. RENDA. I was awarded the business for a 3-month period on a trial basis.

Mr. BURLING. That bid was over the bid of the people that had the bid before. I mean, you offered to pay less; is that correct?

Mr. RENDA. That I don't know, but I put in my bid and I was awarded the material.

Mr. BURLING. Did you have any discussion about labor matters at that time?

Mr. RENDA. None whatsoever.

Mr. BURLING. Did you talk to your father-in-law about this business at the time you were seeking it; that is, you were seeking the Briggs contract?

Mr. RENDA. The only thing I did is I told him I was looking for some bid—I'd like to get in the scrap business.

Mr. BURLING. Was it not his idea, in the first place?

Mr. RENDA. No.

Mr. BURLING. He did not suggest it to you?

Mr. RENDA. No.

Mr. BURLING. He did not tell you you could be in the same position at Briggs as he was at the stove works?

Mr. RENDA. Absolutely not.

Mr. BURLING. You were making about a dollar or \$1.65 an hour in the first few months of April 1945, is that right?

Mr. RENDA. I believe that is correct. I am not sure.

Mr. BURLING. Your income jumped in 1946 to \$53,000?

Mr. RENDA. That is possible, something like that.

Mr. BURLING. It is \$101,000 in 1947, is that right?

Mr. RENDA. Just about; yes.

Mr. BURLING. You have lent your brother-in-law, Mr. Orlando, \$35,000 to put into the Hazel Park race track?

Mr. RENDA. No.

Mr. BURLING. How much did you lend?

Mr. RENDA. \$15,000.

Mr. BURLING. Do you know where he got the other \$20,000?

Mr. RENDA. I know he had some of his own, and I know he borrowed.

Mr. BURLING. Your father testified he put up 50, and also there was put up 85. We are 20,000 short. Has anybody told you where he got the—

Mr. RENDA. To my knowledge, he originally bought \$75,000 in stock. I believe they had a stock dividend and he also bought additional stock with the cash dividend that he received.

Mr. BURLING. Now, as a matter of fact, after you got the haulaway contract, the old people that had been hauling out the scrap kept right on hauling out the scrap just the same way they always did, is that not right?

Mr. RENDA. That is right.

Mr. BURLING. At that time you got the contract, you did not have an office?

Mr. RENDA. That is right. You couldn't find office space.

Mr. BURLING. You did not have one?

Mr. RENDA. I believe you should know the facts.

Mr. BURLING. I do know the facts.

Mr. RENDA. I am giving them to you.

Mr. BURLING. You did not have a telephone?

Mr. RENDA. You could not get telephones.

Mr. BURLING. Whether you could or not, you did not have one, and please do not fence with me.

Mr. RENDA. That is correct.

Mr. BURLING. You had \$5,000 capital and no experience in the scrap business. It seems odd to me, with no equipment and no loading equipment, and no trucks, and no yard and no siding, doesn't it seem odd to you that you were given this contract as against the man who had it for 18 or 20 years?

Mr. RENDA. I don't think so. I was very happy about it.

Mr. BURLING. I have no doubt you were happy. I'd be happy to have \$100,000 myself.

Mr. RENDA. I do not make \$100,000 every year. I had one year such as that. That was my top year.

Mr. BURLING. I think in fairness to you that should be stated as correct. Now, in 1946 you changed the business from your own to a partnership with your wife, is that right?

Mr. RENDA. I believe so.

Mr. BURLING. In that year the partnership income was \$53,000, is that right?

Mr. RENDA. I believe so.

Mr. BURLING. The size of your operation can be measured by the fact that your social-security tax is \$26.09, is that right?

Mr. RENDA. That I don't know.

Mr. BURLING. You would not say it was any larger, would you?

Mr. RENDA. I do not know.

Mr. BURLING. Mr. Chairman, the record shows, and that would show the size of the salary, of course.

The CHAIRMAN. Witness, do you take issue with it at all?

Mr. RENDA. I don't know what he is driving at.

The CHAIRMAN. Well, it is very obvious, and the fact your social-security tax was only twenty-odd dollars would of, course, have some significance, but now the question is, is it a fact that that was the extent of the amount of the social-security tax you paid?

Mr. RENDA. May I ask a question? What has this social-security tax got to do with this? I don't get the connection.

The CHAIRMAN. That is for the committee to decide.

Mr. RENDA. I want to know what it pertains to.

Mr. BURLING. Mr. Renda, we are trying to find out whether you had an operation of any size where you had employees.

Mr. RENDA. I did.

Mr. BURLING. In 1946, although the partnership net income was \$53,000, you had substantially no employees, and your total social-security tax is \$26.

Mr. RENDA. That must be correct then. I didn't know what the amount was.

Mr. BURLING. I want to make a statement then, and ask you if it is true or false, because in the interest of expediting this, and so we can all go home to bed—is it not true that after you got the contract, the old bidders that had this for 18 years or 20 years left their equipment there, they picked up the scrap with their loaders and their mechanical trains and they put the scrap on their trucks and they drove their trucks to the yards and processed them and put them on railroad cars for shipping, and you did not touch the scrap at all, is that correct?

Mr. RENDA. Can I elaborate on that?

The CHAIRMAN. First of all, is that correct?

Mr. RENDA. That is correct.

The CHAIRMAN. You may make any elaboration you desire.

Mr. RENDA. The reason for that was I was boycotted by all dealers, including the outfit that I made a deal with, that he would take care of my scrap account, and the only way that I was able to take care of that account is doing business with these people. Now, originally my metals were handled by someone else. He was forced to practically give them up. I had to go back more or less to stay in business with these other fellows.

Mr. BURLING. At any rate, the fact is that the physical handling of the scrap did not change one bit when you came in with your contract. The only difference was that the scrap haul-away people paid you instead of paying Briggs.

Mr. RENDA. They bought the scrap from me, that is correct.

Mr. BURLING. You didn't touch it and you never had.

Mr. RENDA. I looked at it and took all my time for it.

Mr. BURLING. You went out each day and looked in the bins?

Mr. RENDA. Yes.

Mr. BURLING. What for?

Mr. RENDA. To check what was going out.

Mr. BURLING. But you didn't touch it. You never had physical possession of the scrap at any time?

Mr. RENDA. No.

Mr. BURLING. That is true today, is it not?

Mr. RENDA. No. I wouldn't say that is true today. There is a lot of scrap that I handled personally today.

Mr. BURLING. How long have you been handling scrap personally?

Mr. RENDA. Quite some time, for the past couple of years.

Mr. BURLING. At any rate, up until 2 years ago, you didn't touch the scrap. Instead, the scrap was handled exactly as it always had been?

Mr. RENDA. That is correct.

Mr. BURLING. You were not selling the scrap to these old fellows for a price lower than the price you were paying Briggs, were you?

Mr. RENDA. Would you please repeat that?

Mr. BURLING. Well, if you bought \$1 worth of scrap from Briggs, you were not selling it to them for 90 cents.



Mr. RENDA. No. I would make a little profit on it. The records will bear that out.

Mr. BURLING. That is my point, \$53,000 in 1946.

Mr. RENDA. That is right.

Mr. BURLING. Yet, you did not in any way interfere with the operations or change it, or do anything.

Mr. RENDA. I acted as a broker.

Mr. BURLING. Why should Briggs want to have you act as a broker when they had been doing business directly with these people for 18 years?

Mr. RENDA. They knew that I was taking care to see they were getting a square deal.

Mr. BURLING. How?

Mr. RENDA. Making sure that what went on the truck was what was specified. Seeing that the accounts were well taken care of.

Mr. BURLING. You looked at the truck—in other words, you were paid \$53,000 for inspecting the trucks. You were weighing them and making sure that the kind of scrap put in the trucks was the kind of scrap charged. That is an awful expensive inspector, Mr. Renda. Now, by the way, you did not, in 1946, in any way interfere with the business, that is, the scrap was sold by the fellows that took it out; is that right?

Mr. RENDA. That is correct.

Mr. BURLING. And you had deducted an entertainment, travel and entertainment item of \$10,535 that year. I wonder if you would care to explain that.

Mr. RENDA. I think that can be explained.

Mr. BURLING. Would you?

Mr. RENDA. First of all, I did some traveling around the country, looking for other dealers. Second of all, that was the way I educated myself, finding better markets for the future, taking care of people with dinners or drinks, or whatever the case may be. I can't come right out and tell you in detail exactly what each was for, but I assure you it was for the betterment of the business.

Mr. BURLING. There is one check in your books for 1 year payable—some \$420 payable to the Michigan State Racing Association.

Mr. RENDA. That is right.

Mr. BURLING. Did you expect to sell scrap to the Michigan State Racing Association?

Mr. RENDA. I had a box there.

Mr. BURLING. You thought maintaining a box at the track was a proper expenditure for a scrap metal company.

Mr. RENDA. That's right. It is done by other dealers.

Mr. BURLING. All right; your social-security tax went up a little in 1947 and got to \$68.85. In 1948 it went up to \$85. That year your entertainment deduction was \$10,068.

Mr. RENDA. May I correct you on one point, that is traveling and entertainment.

Mr. BURLING. You spent almost 100 times as much on travel and entertainment as you did on social security.

Mr. RENDA. I didn't have that many employees to pay social security.

Mr. BURLING. Because you were not doing anything and were taking a free ride on Briggs.

Mr. RENDA. I wasn't taking a free ride anywhere. From watching the business and taking care of it and spending so much time on it, I wound up at Mayo Clinic on the verge of a nervous breakdown.

Mr. BURLING. By the way, have any of your relatives been murdered?

Mr. RENDA. Any relatives of mine murdered?

Mr. BURLING. Yes.

Mr. RENDA. Not to my knowledge.

Mr. BURLING. Perhaps our records are wrong. If you were so busy engaged in traveling, how could you inspect the scrap to see that each truck was weighed right?

Mr. RENDA. You can always take a plane and come back the same day, or spend the day away, or a weekend away, for that matter.

Mr. BURLING. You were able to act as inspector?

Mr. RENDA. Yes.

Mr. BURLING. Is it correct that the market for scrap is extremely delicate and fluctuates widely and very rapidly?

Mr. RENDA. At that time there was no such thing as a fluctuating market. There was a price ceiling on it.

Mr. BURLING. In 1947, the ceiling was still on?

Mr. RENDA. Yes.

Mr. BURLING. All right. After the ceiling was taken off, customarily it is a very tricky market.

Mr. RENDA. Not in this case because it was allocated to Great Lakes at a specified price.

Mr. BURLING. Now, you were the president of the American Italian delegates in 1949?

Mr. RENDA. That is right.

Mr. BURLING. Sparky Corrado was the chairman of the dance committee?

Mr. RENDA. I think so.

Mr. BURLING. What relation is he to Pete Corrado?

Mr. RENDA. I don't know.

Mr. BURLING. Did you ever hear of Pete Corrado?

Mr. RENDA. Yes.

Mr. BURLING. You do not know of any relationship?

Mr. RENDA. I do not.

Mr. BURLING. What about Tony Zerilli? Is he any relation to Joe Zerilli?

Mr. RENDA. Yes.

Mr. BURLING. What about Jack Tocco? What relation is he to Black Bill Tocco?

Mr. RENDA. I believe he is a son.

Mr. BURLING. Of whom?

Mr. RENDA. Of Bill.

Mr. BURLING. Then we have Pete Corrado. Is he the original Pete Corrado, or a son?

Mr. RENDA. No; there is a Pete Corrado there.

Mr. BURLING. There is a Pete Corrado who has a long-time criminal record, who is a fugitive, and who is known as the "Enforcer."

Mr. RENDA. That is not the one.

Mr. BURLING. What relation is he to this Pete Corrado?

Mr. RENDA. I think they are cousins.

Mr. BURLING. Is Mike Polizzi any relation to Big Al?

Mr. RENDA. Not that I know.

Mr. BURLING. Who are Tony and Bill Giacalone?

Mr. RENDA. That I don't know.

Mr. BURLING. They were on the dance committee. You were president and you don't know who they were?

Mr. RENDA. I don't. They volunteered for the job.

Mr. BURLING. Then there is Guiseppa Louiselle.

Mr. RENDA. I don't know him.

Mr. BURLING. Then there is Matt Bommarito.

Mr. RENDA. I don't know.

Mr. BURLING. They have ads in here.

Mr. BURLING. Do you know what Zerilli & Co. is represented by?

Mr. RENDA. No, I don't.

Mr. BURLING. Who is Bommarito? What does that name mean to you?

Mr. RENDA. I know a lot of Bommaritos; they are just like Smith.

Mr. BURLING. Vince Meli, is your brother-in-law.

Mr. RENDA. I have a Vince Meli, who is my brother-in-law.

Mr. BURLING. Son of Angelo Meli?

Mr. RENDA. That's right.

Mr. BURLING. What does Angelo do for a living?

Mr. RENDA. As far as I know, he is a farmer.

Mr. BURLING. Who is Joe Mocerì?

Mr. RENDA. I do not know.

Mr. BURLING. Perhaps I mispronounced it; perhaps it should be Mocheri or Mosheri.

Mr. RENDA. I don't know.

Mr. BURLING. They all have ads here. Do you know the Jay-Cee Music Co.?

Mr. RENDA. No.

Mr. BURLING. They have an ad in here. Angelo Meli, you said was a farmer. Then we have a full-page ad of yours. And then we have a full-page ad of Joe Zerilli. What does he do for a living?

Mr. RENDA. I don't know.

Mr. BURLING. Don't you know he is a numbers operator?

Mr. RENDA. No, I don't.

Mr. BURLING. Then we have Bommarito and Pete Corrado, and then we have Perrone's Service.

Mr. RENDA. Can I make a statement in regard to that and you bringing up this ad book? The fellows in the club all went out and solicited it. Those same people donate to the United Foundation and Red Cross and to many things. I don't know what implications can be taken by that, but that doesn't mean a thing. Any funds collected were distributed in a charitable way.

The CHAIRMAN. All right. Thank you. You are excused.

(Witness excused.)

Mr. TRAVIS. May I make a statement with respect to Mr. Renda?

The CHAIRMAN. We are not going to suspend in the middle of operations to get a statement. We will take it under consideration. The next witness will be Louis Freedman.

**TESTIMONY OF LOUIS FREEDMAN, DETROIT, MICH., ACCOMPANIED  
BY JOHN W. BABCOCK, ATTORNEY, DETROIT, MICH.**

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. FREEDMAN. I do.

The CHAIRMAN. What is your name?

Mr. FREEDMAN. Louis Freedman.

The CHAIRMAN. And your address?

Mr. FREEDMAN. 18272 Fairfield.

The CHAIRMAN. What is the name of your attorney?

Mr. BABCOCK. John W. Babcock.

The CHAIRMAN. Where are your offices?

Mr. BABCOCK. 2280 Penobscot Building, Detroit.

Mr. BURLING. Mr. Freedman, do you do business under a firm name?

Mr. FREEDMAN. Yes.

Mr. BURLING. What is that?

Mr. FREEDMAN. The Woodmere Scrap Iron & Metal Co.

Mr. BURLING. How long have you been engaged in the scrap-metal business?

Mr. FREEDMAN. Over 40 years.

Mr. BURLING. Doing business as Woodmere?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. Have you ever hauled ferrous scrap metal out of Briggs?

Mr. FREEDMAN. Yes. We have hauled ferrous and nonferrous.

Mr. BURLING. Now, the Briggs Manufacturing Co. is the largest independent body manufacturer in the country; is that right?

Mr. FREEDMAN. I would say they are one of them.

Mr. BURLING. At any rate, it is a very large plant here in Detroit?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. And is it the fact that a body company produces an exceptionally large amount of scrap in relation to its volume?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. And does Briggs produce an exceptionally large amount of scrap?

Mr. FREEDMAN. They do.

Mr. BURLING. Now, except for the time when Briggs was engaged during the war in airplane manufacturing, when they had aluminum scrap, is that principal scrap ferrous?

Mr. FREEDMAN. Yes.

Mr. BURLING. Since the war, would you care to state what the approximate volume of their ferrous scrap produced annually is?

Mr. FREEDMAN. I'd say well over a million dollars a year.

Mr. BURLING. Well over a million dollars a year?

Mr. FREEDMAN. Yes.

Mr. BURLING. So that the contractor that has the scrap contract with Briggs has a good-sized contract?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. When did you first commence hauling ferrous scrap out of Briggs?

Mr. FREEDMAN. Oh, I'd say about 25 years ago.

Mr. BURLING. 25 years ago?

Mr. FREEDMAN. About that.

Mr. BURLING. Without reference to who had the contract, have you substantially, without interruption, continued to haul ferrous scrap and sometimes nonferrous scrap out of Briggs? For the past 25 years?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. And are your trucks doing that now? I don't mean tonight, but will they tomorrow morning?

Mr. FREEDMAN. Yes.

Mr. BURLING. Now, address yourself to a time prior to April 7, 1945. Will you describe the way in which Briggs handled the letting of the ferrous-scrap contract or bids?

Mr. FREEDMAN. Well, it was customary to send out invitations to bid, and then award it principally for 90-day or 6-month intervals.

Mr. BURLING. How do you explain the fact that you had it virtually without interruption for nearly 20 years?

Mr. FREEDMAN. Well, I would say, from a point of servicing a firm well and becoming familiar with the processing of material into certain grades, all indications were that they favored us for the service as well as paying the highest price for the material.

Mr. BURLING. You had the equipment in there?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. Your men know the lay-out of the plants and were accustomed to picking the scrap up from the various bins?

Mr. FREEDMAN. That's right; bins or loading docks, or stock boxes. whatever the custom there was.

Mr. BURLING. And, so, would it be fair to say that, although Briggs in a formal sense took bids, it was more or less understood that your bids would be accepted?

Mr. FREEDMAN. Particularly on the hauling of scrap.

Mr. BURLING. Yes; I am talking about scrap hauling.

Mr. FREEDMAN. Yes, on the hauling scrap. When I referred to the million-dollar sales of their scrap, it didn't necessarily cover the hauling. It covered perhaps carloads and hauling.

Mr. BURLING. By the way, is the scrap-metal business a simple business? Assume I am not very smart or assume that I am a college graduate. Could I learn it in a day or so?

Mr. FREEDMAN. I would say not.

Mr. BURLING. I didn't mean to assume that I am not; but, assume that I am a man of normal intelligence but I have no experience in this, could I learn it readily?

Mr. FREEDMAN. Not necessarily.

Mr. BURLING. Could I sit down with a manual and learn it from a book?

Mr. FREEDMAN. Well, at a certain period of the selling of the material, particularly during the OPA period, there was a ceiling on scrap. That theory could have been applied.

Mr. BURLING. I see.

Now, what is the approximate capital you have invested in your scrap-hauling concern?

Mr. FREEDMAN. I'd say the investment is well over one-half million dollars.

Mr. BURLING. Do you have a yard?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. Do you have processing machines, shears, torches, balers?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. Do you have trucks?

Mr. FREEDMAN. Trucks and trailers.

Mr. BURLING. At the Briggs plant, do you have a magnetic crane?

Mr. FREEDMAN. We do, at intervals generally; yes.

Mr. BURLING. What kind of equipment do you leave at Briggs?

Mr. FREEDMAN. Well, it depends on how busy they are or what; but, generally, we have trucks hauling laborers and loading equipment there to take the raw material away.

Mr. BURLING. Now, as I understand, the scrap is taken out of the plant by the manufacturer, put in bins, and boxes of some sort, and then loaded one way or another onto trucks, taken to the yard, classified at the yard, processed, and then loaded onto railroad cars or onto trucks for delivery; is that right?

Mr. FREEDMAN. Generally you are right.

Mr. BURLING. And, except when there is an OPA ceiling, the market for scrap is rather intricate; isn't it?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. There are different classes of scraps?

Mr. FREEDMAN. Very many; yes.

Mr. BURLING. And they can fluctuate separately?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. So you have to decide whether to make a bid on all scrap or take a chance on what class it will be or whether to be on schedule; is that right?

Mr. FREEDMAN. Yes. We ourselves were not so familiar on the first award; but, as we handled that account, we became familiar with what we could expect to receive from the general production of it, from the processing of it.

Mr. BURLING. After you handled the account for 20 years, you are more or less familiar with it; is that right?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. I believe you told me that the scrap-metal business is one that you have to grow up in, in order to understand; is that a fair statement?

Mr. FREEDMAN. Generally so; yes.

Mr. BURLING. Now, without reference to any particular individual, you wouldn't say that you can take a man without any experience just out of college, and teach him the business in a week; would you?

Mr. FREEDMAN. I'd say not.

Mr. BURLING. Now, were your relations with Briggs, during your 20 years prior to April 7, 1945, on the whole, harmonious?

Mr. FREEDMAN. Yes.

Mr. BURLING. Do you know a man named Cleary?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. Did he ever accuse you of any unethical practice?

Mr. FREEDMAN. No, sir.

Mr. BURLING. Did he ever say you were ever short-weighting him?

Mr. FREEDMAN. No, sir.

Mr. BURLING. Did he ever say he wanted to get somebody in—in respect to your operation, he thought you were cheating him?

Mr. FREEDMAN. Not to my knowledge.

Mr. BURLING. He never said anything of that sort?

Mr. FREEDMAN. No, sir.

Mr. BURLING. Did anybody at Briggs ever say that to you?

Mr. FREEDMAN. No, sir.

Mr. BURLING. How about Mr. Herbert? Did he ever say anything of that sort to you?

Mr. FREEDMAN. No, sir.

Mr. BURLING. He is dead now; isn't he?

Mr. FREEDMAN. So I understand.

Mr. BURLING. You were friendly with him while he was with Briggs?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. He never leveled any accusations at you?

Mr. FREEDMAN. None whatsoever.

Mr. BURLING. Now, did there come a time when Mr. Herbert told you that you could not have the Briggs ferrous-scrap award?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. That was about April 1, 1945; wasn't it?

Mr. FREEDMAN. It was about the first week in April, I believe, 1945.

Mr. BURLING. What did he say to you?

Mr. FREEDMAN. Well, we quoted on the material, and the inference was that we would continue hauling it. That was, I think, for a quarter period, and along about 3 or 4 or 5 days after the first of the month we were informed—I don't recall whether it was telephone notice—to the effect that the contract was awarded to some other firm.

Mr. BURLING. Who gave you this notice?

Mr. FREEDMAN. George Herbert.

Mr. BURLING. Did he tell you why?

Mr. FREEDMAN. No; he said he didn't know but had been awarded some firm which he himself didn't know.

Mr. BURLING. Did he tell you that he had approved it or that he was glad that it was going to some other firm?

Mr. FREEDMAN. I don't recall that. I think he was surprised himself to learn that.

Mr. BURLING. Did he tell you in effect that he was sorry but that "orders were orders"?

Mr. FREEDMAN. That is right.

Mr. BURLING. Did he tell you that Carl Renda was to take over the bid?

Mr. FREEDMAN. At first, he didn't know or didn't tell us. My brother and I were very much interested because it was an important account to us. We felt we were entitled to continue it as long as we were servicing it properly. It seemed that he was in the dark or hesitated to tell us; but, as myself and my brother continued to go out to the officials of the Briggs Manufacturing Co., they themselves just stated that they were sorry that that business had been awarded to someone, and I think perhaps about a week later Mr. Herbert told me that it had been awarded to Carl Renda.

Mr. BURLING. In your 40 years in the scrap business, had you ever before heard of Carl Renda?

Mr. FREEDMAN. No, sir.

Mr. BURLING. Now, at that time, did you stop taking the scrap out of Briggs?

Mr. FREEDMAN. Yes.

Mr. BURLING. And did you thereafter go to see Renda about continuing to take the scrap out of Briggs or reassuming the removal of scrap?

Mr. FREEDMAN. Yes. First, I had to determine who Carl Renda was, which I learned, and I then made a date.

Mr. BURLING. What did you learn about him?

Mr. FREEDMAN. I learned that he was a family relative of Mr. Perrone.

Mr. BURLING. Sam Perrone?

Mr. FREEDMAN. Yes; who was servicing the Detroit Stove Co., and I believe I contacted Mr. Renda through Mr. Perrone and met him at the Statler lobby.

Mr. BURLING. Here in Detroit?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. Was your brother along?

Mr. FREEDMAN. My brother was with me; yes.

Mr. BURLING. And Sam Perrone and Carl Renda?

Mr. FREEDMAN. I think I either met Sam Perrone first or Carl Renda and Sam Perrone were together, or he brought him with him.

Mr. BURLING. At any rate, what was said?

Mr. FREEDMAN. Well, Mr. Renda informed me that he was awarded the contract for the material, and, frankly, he told me that he preferred not to continue dealing with our firm, on account that we had been servicing the account, and that is about it in the main.

Mr. BURLING. I see. Did you prevail upon him?

Mr. FREEDMAN. I did.

Mr. BURLING. To let you continue?

Mr. FREEDMAN. Yes; I did.

Mr. BURLING. And was it agreed that you would go right on doing exactly what you had been doing with scrap, only that you would pay Renda instead of Briggs?

Mr. FREEDMAN. Yes, sir.

Mr. BURLING. What was said about the price? Did it go up?

Mr. FREEDMAN. He didn't know what I was paying Briggs, but when I started with the Renda people I did pay them from about \$2.50 a ton or more better than I had been paying Briggs or offered Briggs, for the future 90 days.

Mr. BURLING. In other words, the cost to you went up about \$2 a ton?

Mr. FREEDMAN. That is right.

Mr. BURLING. Is it a fair statement to say that the reason you did this was that you hoped that if you stayed in there with Briggs something would happen and Renda would get out again and you could resume your old relations?

Mr. FREEDMAN. I always felt that; yes.

Mr. BURLING. That is why you agreed to keep on taking the scrap out of Briggs and paying this higher price?

Mr. FREEDMAN. That is right.

Mr. BURLING. In other words, what was happening was that the same trucks were taking the scrap out, the same crane was loading



it, the same workmen were doing it, it was in the same yard and being shipped to the same consignees, is that correct?

Mr. FREEDMAN. Exactly.

Mr. BURLING. The only difference was that Renda had been inserted between you and Briggs?

Mr. FREEDMAN. Correct.

Mr. BURLING. At an over-ride of about 2 to 2½ dollars a ton?

Mr. FREEDMAN. That is right. Of course, I don't know what Mr. Renda was paying for the scrap.

Mr. BURLING. No. But, at least, it would be, assuming he was paying what you were paying, an over-ride of 2 to 2½ dollars a ton?

Mr. FREEDMAN. I will say it this way: It was 2½ dollars or more, better than I was paying or offered to pay Briggs for the same scrap.

Mr. BURLING. As a matter of fact, Mr. Chairman, the president of Briggs testified that he thought they were giving it to him for nothing.

Now, did you ask Renda what it was that he had on Briggs that would induce him to cut him in for this free ride?

Mr. FREEDMAN. No, I was afraid to ask him anything, because he didn't want to deal with me. I had to beg him to deal with me.

Mr. BURLING. Had you ever heard of Sam Perrone before?

Mr. FREEDMAN. Yes, I did.

Mr. BURLING. What was his reputation?

Mr. FREEDMAN. Well, I understand he was the man that was hauling the scrap from the Detroit (Mich.) Stove Co. and, in fact, I contacted him once or twice on the phone, I believe, trying to get him to haul some scrap.

Mr. BURLING. Now, did there come a time when Renda forced you to pay him another kind of tribute in relation to trucks?

Mr. FREEDMAN. Well, he didn't force me to that. After I had dealt with him I would say about a year or longer, maybe 15 to 18 months, one day he phoned me and said that he was going to start dealing with someone else, and handle the scrap himself. So I prevailed upon him again and he told me that he had bought trucks or trailers. I prevailed upon him to take his trailers over and just to retain the use of the trailers, to pacify him, to continue the account, to deal with me.

Mr. BURLING. Let me see if I understand you correctly. He bought trucks. You operated them, maintained them, put gas in them, hired the drivers, is that right?

Mr. FREEDMAN. That is right.

Mr. BURLING. All he did was to pay for them? In fact, you paid for the insurance?

Mr. FREEDMAN. That is right. I think that is right. I think we paid the insurance.

Mr. BURLING. All he did was to buy them in the first place and after that you had to pay him \$1 for every ton of extra scrap you hauled?

Mr. FREEDMAN. I believe it was a dollar a ton extra for every ton of scrap we hauled out of that plant.

Mr. BURLING. Supposing I had come along and said, "I have got a fleet of 50 trucks and I will let you have them." In fact, supposing I am making this offer to you today. I have a fleet of 50 trucks. You can have them. You drive them. You operate them. You put the gas in them. You insure them. You pay the license fees on them

and all you have to do is pay me \$1 dollar per ton of scrap hauled. Would you think that was a bargain to you?

Mr. FREEDMAN. It would be a very bad deal on my part.

Mr. BURLING. It would be an exorbitant price, wouldn't it?

Mr. FREEDMAN. Yes. However, I set the dollar a ton pace myself. He was determined not to continue dealing with me and, again, I sat down with Mr. Renda for practically a day on and off sessions, so to speak, and begged him to continue with me.

Mr. BURLING. Still in the hopes that you could get back into Briggs and Renda would go away?

Mr. FREEDMAN. Yes, always hoping that there would be some sort of a change.

Mr. BURLING. That is all.

The CHAIRMAN. I think that is all. We are very much obliged that you have been very straightforward and forthright.

(Witness excused.)

Mr. TRAVIS. I wonder if we can have an opportunity later to bring out some more facts, which I think are of great interest to your committee, for example, that Mr. Renda only gets one-third of the scrap that goes out of Briggs.

Mr. BURLING. Just a moment. I don't think counsel should testify.

The CHAIRMAN. We would be very glad to have you submit a statement, if you will.

Mr. TRAVIS. All right.

The CHAIRMAN. Next witness.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. LILYGREN. I do.

#### TESTIMONY OF GEORGE N. LILYGREN, WASHINGTON, D. C.

The CHAIRMAN. What is your full name, please?

Mr. LILYGREN. George N. Lilygren.

The CHAIRMAN. And your address?

Mr. LILYGREN. 5415 Connecticut Avenue NW, Washington, D. C.

The CHAIRMAN. Were you formerly connected with the Briggs Co.?

Mr. LILYGREN. Yes. I was.

The CHAIRMAN. In what capacity?

Mr. LILYGREN. As assistant comptroller.

The CHAIRMAN. Until when?

Mr. LILYGREN. Until November 15, 1945.

Mr. BURLING. Before that, what was your job at Briggs?

Mr. LILYGREN. Assistant comptroller.

Mr. BURLING. There was no comptroller, is that right?

Mr. LILYGREN. That is right.

Mr. BURLING. So, in effect, you were acting comptroller?

Mr. LILYGREN. No, I wouldn't say exactly that. I covered certain areas of the financial department just such as estimating time study, time department cost, and accounting, and among them the salvage department was under my supervision.

Mr. BURLING. The salvage department was under your supervision?

Mr. LILYGREN. Yes, it was.

Mr. BURLING. Who had immediate control of the disposal of salvage?

Mr. LILYGREN. George Herbert.

Mr. BURLING. He is dead?

Mr. LILYGREN. Yes.

Mr. BURLING. Who was over you with respect to matters relating to salvage? Who would you report to?

Mr. LILYGREN. Well, I reported officially to the man who was assistant treasurer.

Mr. BURLING. What was his name?

Mr. LILYGREN. Alex Blackwood at that time.

Mr. BURLING. What was Cleary's position?

Mr. LILYGREN. Director of purchases.

Mr. BURLING. Did he have anything to do with salvage?

Mr. LILYGREN. Yes, he did. He and I had joint responsibility on the prices. I had the operation of the salvage department and jointly, we covered the price angle.

Mr. BURLING. Mr. Cleary is dead, is he?

Mr. LILYGREN. Yes, he is.

Mr. BURLING. Now, prior to April 7, 1945, is it correct, if you know, that the Woodmere Scrap Metal Co. was customarily the successful bidder?

Mr. LILYGREN. I don't recall Woodmere particularly. They were among the different people that we sold the scrap to.

Mr. BURLING. Now, when did you first learn that a man named Renda got the over-all scrap contract?

Mr. LILYGREN. That didn't occur during my time there.

Mr. BURLING. It occurred in April 1945, did it not?

Mr. LILYGREN. Not to my knowledge, no. There was no contract with Renda.

Mr. BURLING. Well, an arrangement with Renda?

Mr. LILYGREN. Yes, there was.

Mr. BURLING. When did that happen?

Mr. LILYGREN. Well, the first that I recall, as near as I can recall, the date that he appeared in the picture was around January of 1945.

Mr. BURLING. Would it refresh your recollection if I told you that all the testimony is that it took place in April, 1945?

Mr. LILYGREN. Well, as I recall it, he first appeared on the scene earlier than that. I think it was about that time that he was given some of the business.

Mr. BURLING. Did he get some or all of the business?

Mr. LILYGREN. Some of the business.

Mr. BURLING. What scrap business was he not getting?

Mr. LILYGREN. As I recall it, he was getting the business from one of the plants; I don't recall which one.

Mr. BURLING. And he thereafter was given the business from all the plants?

Mr. LILYGREN. Not during my time, no.

Mr. BURLING. Now, did Cleary ever tell you that he felt that the old bidder had been shortweighing the company or otherwise cheating them?

Mr. LILYGREN. No; I don't recall anything like that. In fact, we had a very careful system to be sure that the weights were right and the system that I worked out with George Herbert and——

Mr. BURLING. You think it was a pretty good system?

Mr. LILYGREN. I always thought it was, yes.

Mr. BURLING. By the way, you have not had any chance to refresh your recollection in this matter, have you?

Mr. LILYGREN. No, I haven't.

Mr. BURLING. You were in a meeting in Washington and we asked you to come here just yesterday?

Mr. LILYGREN. I have been out of the city since—out of Detroit for about 3½ years.

Mr. BURLING. You never saw me before in your life, did you?

Mr. LILYGREN. No, sir.

Mr. BURLING. Now, then, you have not, of course, gone over the testimony that you gave to Judge Murphy back in 1947?

Mr. LILYGREN. No.

Mr. BURLING. Now, do you recall there came a time when Mr. Herbert came to you and said that he objected to the deal with Renda?

Mr. LILYGREN. Yes; I do.

Mr. BURLING. What did you do about it?

Mr. LILYGREN. I agreed with him.

Mr. BURLING. You went to Mr. Cleary, did you not?

Mr. LILYGREN. Yes; we discussed it repeatedly.

Mr. BURLING. Is it not the fact that Mr. Cleary told you he had orders from Robinson, the vice president, and there was nothing he could do about it?

Mr. LILYGREN. That was my understanding; yes.

Mr. BURLING. That is what Cleary told you?

Mr. LILYGREN. Yes.

Mr. BURLING. Now, you also arrived at an opinion as to what was the cause for giving whatever scrap contract was given to Renda and you had an opinion as to what the cause of that was, did you not?

Mr. LILYGREN. I had some ideas; yes.

Mr. BURLING. You informed them, after talking with Mr. Cleary, as being coresponsible with him for the scrap picture?

Mr. LILYGREN. No. The opinions were my own.

The CHAIRMAN. What was your opinion?

Mr. LILYGREN. I had an opinion there was some relief from labor troubles. We had a considerable amount of wildcat strikes there during that period of time.

Mr. BURLING. In other words, Renda was to be cut in on the scrap deal, and in return for in some way relieving Briggs of labor troubles?

Mr. LILYGREN. Well, I had no idea of any tie-in but I did associate the cluster of wildcat strikes we had at that period of time.

The CHAIRMAN. That is all. Thank you very much.

(Witness excused.)

#### TESTIMONY OF HON. GEORGE B. MURPHY, DETROIT, MICH.

The CHAIRMAN. Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Judge MURPHY. George B. Murphy.

Mr. BURLING. Mr. Chairman, in the next examination I would like to ask Mr. Ben Caldwell of Chattanooga, Tenn., to conduct it. He is a distinguished attorney of that city and a friend of the chairman and full committee and he has in a very public-spirited sense come here to help us at his own inconvenience. I would like to ask the chairman's permission to have Mr. Caldwell examine the judge.

The CHAIRMAN. I am very pleased to have you do so.

Mr. CALDWELL. Judge Murphy, you worked over 2 years preparing this transcript of the One-Man Grand Jury, is that true?

Judge MURPHY. 1946 and about half of 1947.

Mr. CALDWELL. 1946 and 1947?

Judge MURPHY. I say about a year and a half.

Mr. CALDWELL. We have here the record which was taken from your questioning of testimony of the various witnesses called before you in that period of time; is that correct?

Judge MURPHY. That is right. Mr. Moll and Mr. Garber were the examiners and Margaret Cameron was one of the court reporters.

Mr. CALDWELL. I would like to ask your permission, since this has not been made public, that this be made a part of the committee's records that is turned over to the committee, for their use as an exhibit, as they see fit to use them in this hearing.

Judge MURPHY. Well, I don't see that there is any harm in that and I think I'd be glad to cooperate with the committee and release the reports that were taken before me when I was sitting as the one-man grand juror in the so-called labor rackets case.

The CHAIRMAN. As a matter of fact, Judge, you are rendering a distinct public service in doing what you are doing, sir.

Judge MURPHY. Well, they are no longer used by me and the law under which I sat has been repealed and they so to speak pulled the rug out from under me, and if they can be of any service to you or your committee, I do not see why I shouldn't give them to you and I do give them to you.

Mr. CALDWELL. I would like to offer these as an exhibit.

Judge MURPHY. If you want to use them as exhibits, you may use them.

The CHAIRMAN. Thank you very much, Judge. They will be marked "Exhibit No. 14."

(The document identified was thereupon received in evidence as exhibit No. 14, and appears in the appendix on p. 273.)

The CHAIRMAN. Of course, Judge, we have been familiar with your outstanding service in this regard, which has been highly beneficial, not only to the community, but as well to others, and we are delighted indeed to have the benefit of your splendid work.

Judge MURPHY. I am glad to know somebody is going to make some use of them. It cost a lot of time and money and effort. Thank you.

The CHAIRMAN. That will terminate the hearing for today. We will resume tomorrow morning at 9:30 a. m.

(Thereupon, at 11 p. m., the committee was adjourned.)



# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

---

FRIDAY, FEBRUARY 9, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTIGATE ORGANIZED  
CRIME IN INTERSTATE COMMERCE,  
*Detroit, Mich.*

The committee met, pursuant to recess, at 9:45 a. m., in room 734, Federal Building, Senator Herbert R. O'Connor presiding.

Present: Senator O'Connor.

Also present: John L. Burling, associate counsel; John McCormick, investigator.

The CHAIRMAN. For the benefit of all who are interested—especially the press has made inquiry—I might announce that we will continue with the hearing throughout the morning and afternoon, the morning session going on until after the noon hour, and then we will conclude during the afternoon, remaining in session as late as 5 o'clock, if necessary, finishing up the hearing today.

We call Dean Robinson.

(Pause.)

The CHAIRMAN. Dean Robinson, of the Briggs Co.

(Pause.)

Mr. BURLING. Mr. Robinson is under subpoena. Mr. Robinson called and said he was on his way here. I think the Chair should admonish the witnesses to be in attendance and ready when called.

The CHAIRMAN. Yes. It is essential that that be the rule, because, otherwise, the continuity of the proceeding is broken.

We will call Phil Berman.

Do you solemnly swear the testimony you give this committee will be the whole truth and nothing but the truth, so help you God?

Mr. BERMAN. I do.

## TESTIMONY OF PHILIP BERMAN, DETROIT, MICH.

The CHAIRMAN. Your full name, please.

Mr. BERMAN. Philip Berman.

The CHAIRMAN. And your address, Mr. Berman?

Mr. BERMAN. 3240 Rochester.

The CHAIRMAN. And how long have you lived in the city?

Mr. BERMAN. 15 years.

The CHAIRMAN. Prior to that, where did you reside?

Mr. BERMAN. New York City.

The CHAIRMAN. Now, Mr. Berman, could I ask at the outset that you keep your voice up for the relatively short time you are on the stand?

Mr. BERMAN. I will try.

The CHAIRMAN. Thank you very much.

Counsel, will you proceed?

Mr. BURLING. What is your business, Mr. Berman?

Mr. BERMAN. Juke-box operator.

Mr. BURLING. How long have you been in the juke-box business?

Mr. BERMAN. Approximately 25 years.

Mr. BURLING. How many boxes do you operate?

Mr. BERMAN. At the present time, approximately 50.

Mr. BURLING. Those are placed around in bars and cafes?

Mr. BERMAN. Different locations.

Mr. BURLING. What?

Mr. BERMAN. Different locations.

Mr. BURLING. Have you an estimate of how many boxes there are in the city?

Mr. BERMAN. Approximately 5,000.

Mr. BURLING. And what is the annual take per box?

Mr. BERMAN. I don't know.

Mr. BURLING. What is your estimate of it?

Mr. BERMAN. I couldn't give you an approximate take.

Mr. BURLING. What is the approximate take, the average take, on your boxes per year?

Mr. BERMAN. About \$50,000 per year.

Mr. BURLING. Per box?

Mr. BERMAN. No, for 50 boxes, \$1,000 per box.

Mr. BURLING. That would make the annual take about \$5,000,000 for the boxes, if the other boxes are about like yours?

Mr. BERMAN. No. There is different equipment. Some are old equipment, and some are new. I handle all new equipment, and, naturally, the income is a lot greater.

Mr. BURLING. Then it would be something under \$5,000,000?

Mr. BERMAN. Yes.

Mr. BURLING. I ask you to adjust your mind back to 10 or 12 years. Did you have any trouble in operating your boxes?

Mr. BERMAN. Yes.

Mr. BURLING. Will you describe that trouble to us?

Mr. BERMAN. Well, the trouble was as far as competition is concerned and different people attempting to muscle in.

Mr. BURLING. We would like to know who attempted to muscle in.

Mr. BERMAN. Licavoli, Bommarito.

Mr. BURLING. You mean Pete Licavoli?

Mr. BERMAN. That's right.

Mr. BURLING. And what is Bommarito's first name?

Mr. BERMAN. I don't know.

Mr. BURLING. Would "Scarface" be right?

Mr. BERMAN. I think that is what they call him.

Mr. BURLING. Will you describe the tactics that they used in their attempted muscling in?

Mr. BERMAN. Oh, just moving machines in our locations.

Mr. BURLING. What other tactics did they use?

Mr. BERMAN. Well, I wouldn't know any other tactics, but that was enough.

Mr. BURLING. You told Mr. Amis of some other tactics, did you not?

Mr. BERMAN. That was 10 or 12 years ago. This is lately.



Mr. BURLING. I am talking about stink bombs, for example.

Mr. BERMAN. That has happened.

Mr. BURLING. That has happened. Have you ever heard of windows being broken?

Mr. BERMAN. That has happened.

Mr. BURLING. That is, if an operator tried to operate boxes without having Licavoli or Bommarito machines, the establishment would be stink-bombed or its windows broken?

Mr. BERMAN. Well, now you are going back again 10 or 12 years ago?

Mr. BURLING. Yes.

Mr. BERMAN. I have been in this business all that while.

Mr. BURLING. I am talking about the period before the second war. You need not be afraid. Speak up. Tell us about it.

Mr. BERMAN. I am not afraid, but I want to know what you want to know.

Mr. BURLING. I want to know how, the period in the thirties, competition was carried on in the juke-box business in Detroit.

The CHAIRMAN. Do you understand the question, Mr. Berman?

Mr. BERMAN. Yes.

The CHAIRMAN. Can't you answer that; give us more detail?

Mr. BERMAN. I will try to convince you. It will take all day to tell the story, but I will try to convince you of the facts.

The CHAIRMAN. You do your best.

Mr. BERMAN. When you are referring to years back, machines were damaged, machines were pulled out of locations, physical threats, people have been hurt. Now, this is going back. Now, at the present time, there is a different technique used, and it is a lot finer technique. A lot of muscle is being eliminated, but a union is being used to close the business definitely.

Mr. BURLING. Is this a bona fide business in your opinion, or is it a racket?

Mr. BERMAN. I am not in this union; so I guess the reason is obvious.

Mr. BURLING. Tell us how the so-called union operates in the juke-box business today.

Mr. BERMAN. Well, there is a tie-up between the union and the association. In order to join the association, you have to join the union.

Mr. BURLING. And who is the head of the association?

Mr. BERMAN. Well, its business manager—if I am not mistaken, I think his name is Carter, but I am not sure. There is a boss in the association, that is supposed to run the association.

Mr. BURLING. Who is the man that really runs it? You know. Tell us.

Mr. BERMAN. Bufalino.

Mr. BURLING. Bufalino?

Mr. BERMAN. Yes.

Mr. BURLING. What relation, if any, is he to Angelo Meli, if you know?

Mr. BERMAN. I believe he is related through marriage.

Mr. BURLING. Now, is it correct that if you want to be not a worker, but an operator of jukeboxes in this city and not have trouble with Bufalino, you have to join his union?

Mr. BERMAN. Uh-huh.

The CHAIRMAN. That is true?

Mr. BERMAN. Yes, sir.

Mr. BURLING. That is to say, if I want to buy 10 jukeboxes, my own jukeboxes, and place them around in 10 different spots here, I will have trouble with Bufalino unless I pay him a fee to join his so-called union and pay him a fee each month: is that right?

Mr. BERMAN. That's right.

Mr. BURLING. And supposing I say, "I don't want to do that. I will just go right ahead and put my boxes out," what happens?

Mr. BERMAN. Then you go the hard way—picket lines, or a verbal threat is given your customers.

Mr. BURLING. What is the initiation fee for this so-called union?

Mr. BERMAN. \$25 initiation fee and \$15 a month. I don't believe there is a union in this country that pays as much dues.

Mr. BURLING. Well, it isn't a union at all, if the operator, the owner of the jukeboxes, is required to pay, is it?

Mr. BERMAN. Yes. He is called an honorary member, with no voting privileges.

Mr. BURLING. An honorary member of the union?

Mr. BERMAN. I think that is what they call an honorary member, but there are no voting privileges.

The CHAIRMAN. No voting privileges?

Mr. BERMAN. No, sir.

Mr. BURLING. Thank you very much.

The CHAIRMAN. All right, Mr. Berman. Thank you.

(Witness excused.)

The CHAIRMAN. Angelo Meli.

Do you swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MELI. I do.

The CHAIRMAN. Take a seat, please.

### TESTIMONY OF ANGELO MELI, DETROIT, MICH.

The CHAIRMAN. Your full name?

Mr. MELI. Angelo Meli.

The CHAIRMAN. And, Mr. Meli, your address?

Mr. MELI. 1016 Devonshire.

The CHAIRMAN. How long have you lived there?

Mr. MELI. Oh, since 1941 or 1942.

The CHAIRMAN. What business are you engaged in?

Mr. MELI. I spend most of my time with a farm and collect some property rents.

The CHAIRMAN. All right. Now, will you keep your voice up and talk loudly while you are on the stand?

Mr. MELI. I will do all I can.

The CHAIRMAN. All right; counsel, will you proceed?

Mr. BURLING. Last night I forgot to indicate for the record that there is a full-page ad in exhibit 1 by Carl Renda, and, by coincidence, the opposite page is a full-page ad for the Meli-dy Enterprises.

What is the Meli-dy Enterprise?

Mr. MELI. I don't know. I have nothing to do with that.

Mr. BURLING. Never heard of it?

Mr. MELI. I have heard of it.

Mr. BURLING. All right, what is it?

Mr. MELI. I suppose it was an enterprise my nephew was interested in.

Mr. BURLING. Vincent Meli?

Mr. MELI. That's right.

Mr. BURLING. You have nothing to do with it?

Mr. MELI. No, sir.

Mr. BURLING. All right. Do you have anything to do with jukeboxes?

Mr. MELI. No, sir.

Mr. BURLING. You have no interest of any sort in jukeboxes?

Mr. MELI. No, sir.

Mr. BURLING. Are you sure?

Mr. MELI. Yes, sir.

Mr. BURLING. Do you have a criminal record?

Mr. MELI. I have, sir.

Mr. BURLING. You were arrested in 1919, disorderly person; 1920, carrying concealed weapons; 1920, murder; 1920, carrying concealed weapons; 1921, disorderly person; 1921, carrying concealed weapons; 1921, murder; 1921, armed robbery; 1921, violation of United States Code; 1921, receiving stolen property; 1922, armed robbery; 1922, murder; 1924, extortion; 1927, kidnaping; 1927, violation of prohibition; 1944, investigation of armed robbery; 1951, investigation. Is that correct?

Mr. MELI. It must be.

The CHAIRMAN. Well, that does correctly represent your record, does it? There is no question about the accuracy of it?

Mr. MELI. I suppose it does.

The CHAIRMAN. You ought to know, better than anybody else. Now, does it or does it not, so far as you know?

Mr. MELI. It is there. I guess it does.

The CHAIRMAN. All right.

Mr. BURLING. Will you state again the source of your income, please?

Mr. MELI. Rents.

Mr. BURLING. How much money do you make from your farm?

Mr. MELI. I have that on the books.

Mr. BURLING. I know. You must have some idea of what you live on. Do you?

Mr. MELI. Yes, I have. I own property. Now, I was in the jukebox business up until 1943.

Mr. BURLING. You admit you were in the jukebox business?

Mr. MELI. Up to 1943.

Mr. BURLING. I see. What is the source of your income now?

Mr. MELI. Well, just collecting rents from property.

Mr. BURLING. What, approximately, is your net worth?

Mr. MELI. I don't know, sir. That is a matter of record. I couldn't tell you that.

Mr. BURLING. In 1949 you lost \$12,000 on your farm, didn't you? Is that right?

Mr. MELI. I turned my books in to Mr. Amis way back, since 1940.

Mr. BURLING. Don't you know whether you lost \$12,000 on your farm?

Mr. MELI. I don't remember, sir.

Mr. BURLING. Well, will you look at this photograph and tell me whether that is a photograph of your house on Devonshire?

Mr. MELI. That's right.

Mr. BURLING. How much did you pay for that house?

Mr. MELI. I paid \$25,000.

Mr. BURLING. Where is it?

Mr. MELI. 1016 Devonshire.

Mr. BURLING. What part of the city is that in?

Mr. MELI. Grosse Pointe Park.

Mr. BURLING. Mr. Chairman, because it is a very handsome, obviously expensive house, I ask leave to have that photograph marked for the record.

The CHAIRMAN. It will be introduced and so marked.

(The document identified was thereupon received in evidence as exhibit No. 15, and appears in the appendix on p. 1029.)

Mr. BURLING. Did you insert a full-page ad in this pamphlet?

Mr. MELI. I did.

Mr. BURLING. Compliments of Angelo Meli, Mr. Chairman.

You said the Meli-dy Enterprise was something of your nephew's. Did you have any interest in the Meli-dy Enterprise?

Mr. MELI. No.

Mr. BURLING. No?

Mr. MELI. No, sir.

Mr. BURLING. Then how did you come to lose money on it?

Mr. MELI. On what?

Mr. BURLING. The Meli-dy Enterprise. You took a tax deduction on the Meli-dy Enterprise, 1946—excuse me, I have the wrong one.

I withdraw that, in fairness to the witness.

The CHAIRMAN. All right. It is withdrawn.

Any further questions?

Mr. BURLING. What is the J. & J. Novelty Co.?

Mr. MELI. That used to be a jukebox operation.

Mr. BURLING. When did you withdraw from the jukebox business?

The CHAIRMAN. 1943, you said.

Mr. MELI. Yes.

Mr. BURLING. And you have not had anything to do with the jukeboxes since then?

Mr. MELI. No, sir.

Mr. BURLING. You are not engaged with your son-in-law, Bufalino, in the jukebox business?

Mr. MELI. No. He is not my son-in-law.

Mr. BURLING. Is he any relation to you?

Mr. MELI. He is married to my niece.

Mr. BURLING. I have no further questions.

The CHAIRMAN. No further questions. That is all.

(Witness excused.)

The CHAIRMAN. William Bufalino, will you step up, please?

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BUFALINO. I do.

**TESTIMONY OF WILLIAM EUGENE BUFALINO, DETROIT, MICH.,  
AND PITTSTON, PA.**

The CHAIRMAN. Now, your full name, please?

Mr. BUFALINO. William Eugene Bufalino.

The CHAIRMAN. And your address?

Mr. BUFALINO. 12353 Wilshire, Detroit 5, Mich., and I also have a residence in Pittston, Pa., 47 East Railroad Street.

The CHAIRMAN. For how long have you maintained your residence here?

Mr. BUFALINO. I came here—I don't know the beginning of my residence.

The CHAIRMAN. Just approximately.

Mr. BUFALINO. I was transferred to Romulus Army Air Field, Romulus, Mich., right outside of Detroit.

The CHAIRMAN. Just tell us the year.

Mr. BUFALINO. 1944.

The CHAIRMAN. All right, 7 years. Thank you very much. Will you keep up your voice and answer more promptly, a little more directly than you did the last question?

All right, counsel.

Mr. BURLING. What is your occupation?

Mr. BUFALINO. I am an attorney by profession, and I am the president and business agent of Teamsters Local 985, Detroit.

Mr. BURLING. And what does 985 cover?

Mr. BUFALINO. The coin machine union for the State of Michigan and garage workers and car washers.

Mr. BURLING. Now, by "coin machines" you mean jukeboxes?

Mr. BUFALINO. By "coin machines" I mean vending machines and automatic phonographs, which we term "jukeboxes."

Mr. BURLING. You were just referring to what you call automatic phonographs. What is the union's practice in respect to that?

Mr. BUFALINO. May I have a few clarifications? At the outset yesterday, when Senator O'Connor started to explain the purpose of this commission, I was asked to leave the room, and I would like to have some clarification by the commission. I was told at the time that I was first called that I was personally being investigated, and I would like to know whether or not my union is being investigated or I, in my personal capacity, am being investigated. I welcome investigation personally.

The CHAIRMAN. Well, as long as you welcome it, suppose you answer the questions, and you will find out.

Will you proceed, counsel?

Mr. BURLING. Do you know Papa John Fizziola?

Mr. BUFALINO. I know a Mr. John Fizziola. I don't know him as Papa John.

Mr. BURLING. He was with you in the Bilvin Distributing Co.; is that right?

Mr. BUFALINO. I believe he was a director of the Bilvin Distributing Co.

Mr. BURLING. And so were you before the war?

Mr. BUFALINO. No.

Mr. BURLING. When were you in Bilvin?

Mr. BUFALINO. In 1946, February of 1946.

Mr. BURLING. What business was Bilvin in?

Mr. BUFALINO. In the distribution for the State of Michigan of automatic phonographs, Wurlitzer distributorship.

Mr. BURLING. That was before you were in the union? At that time you were on the employers' side; is that right?

Mr. BUFALINO. Before I was in the union I was on the employers' side, that's right.

Mr. BURLING. And when did you leave Bilvin?

Mr. BUFALINO. I left Bilvin in May or June of 1947.

Mr. BURLING. By the way, is it correct to say that the gross of Bilvin for 1946 was \$1,093,411?

Mr. BUFALINO. I have no independent recollection of that.

Mr. BURLING. Well, would a million-dollar gross be about right?

Mr. BUFALINO. I have no recollection as to what it would be. The books would reveal that.

Mr. BURLING. But you wouldn't quarrel with me if I say the records show a gross of over a million dollars in 1946?

Mr. BUFALINO. I wouldn't quarrel, but I wouldn't agree with you on it.

Mr. BURLING. How did you come to leave such a prosperous business and go to work for the union?

Mr. BUFALINO. I came to leave it because it wasn't a prosperous business.

Mr. BURLING. Jukeboxes aren't prosperous here?

Mr. BUFALINO. That's right.

Mr. BURLING. If I wanted to start operating jukeboxes in 10 different locations and buy the jukeboxes, do I have to do business with your union?

Mr. BUFALINO. No, you don't have to.

Mr. BURLING. Supposing I don't, and I put out 10 boxes in 10 spots, what would your union do to me?

Mr. BUFALINO. Not a thing.

Mr. BURLING. You wouldn't throw a picket line around the establishments?

Mr. BUFALINO. I have to know every case and the individual circumstances. If you give me a hypothetical case, I would answer it.

Mr. BURLING. Have you ever thrown a picket line around an establishment where that was done?

Mr. BUFALINO. I don't recall that.

Mr. BURLING. Well, Mr. Chairman, I have four affidavits relating to muscling in. I have photostats of them, which I would like to place in the record. I offer them in evidence.

The CHAIRMAN. All right.

(The documents identified were thereupon received in evidence as exhibit No. 16, and appear in the appendix on p. 1029.)

The CHAIRMAN. That is all, Mr. Bufalino.

Dean Robinson. Has he arrived yet?

Mr. BUFALINO. May I add one other thing?

The CHAIRMAN. Yes.

Mr. BUFALINO. I would like to read one statement into the record, that if any accusations have been lodged against me or if this commission calls any witnesses to contradict anything that I have testi-

fied to, in order that the public might not be left with any doubts, I would appreciate an opportunity to be faced with any misinformation, and I would be glad to wait as long as you would want me to.

The CHAIRMAN. That is entirely in your rights. If your name is mentioned, or if there is any reference to you, you are perfectly at liberty to ask to be heard, and you will be accorded the opportunity.

Mr. BUFALINO. Thank you. May I leave now and be subject to call?

The CHAIRMAN. Yes, indeed. At any time the hearing is in progress, if you feel your reputation is being damaged, you may have an opportunity to answer.

Mr. BUFALINO. Thank you.

(Witness excused.)

The CHAIRMAN. Dean Robinson.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. ROBINSON. I do.

### TESTIMONY OF WILLIAM DEAN ROBINSON, GROSSE POINT PARK, DETROIT, MICH.

The CHAIRMAN. Your full name, please?

Mr. ROBINSON. William Dean Robinson.

The CHAIRMAN. And, Mr. Robinson, your address?

Mr. ROBINSON. 204 Provencal Road, Grosse Pointe.

The CHAIRMAN. And your business connection?

Mr. ROBINSON. Briggs Manufacturing Co.

The CHAIRMAN. And what is your position there?

Mr. ROBINSON. President and general manager.

The CHAIRMAN. President and general manager of Briggs. And for how long have you been connected with the company, Mr. Robinson?

Mr. ROBINSON. I have been with the company since March of 1943.

The CHAIRMAN. I see. Now, might I ask that you keep your voice a little louder, so we can all hear you? Thank you.

Counsel, will you proceed?

Mr. BURLING. Are you acquainted with Mr. John Fry?

Mr. ROBINSON. Yes. I have known him for many years.

Mr. BURLING. A close friend of yours?

Mr. ROBINSON. Yes.

Mr. BURLING. Now, will you tell us whether, in 1945, in the month of April, there was any change in the manner in which scrap was removed from your company?

Mr. ROBINSON. There was a change in the people who handled scrap in 1945.

Mr. BURLING. Is it your testimony, sir, that the people who handled scrap physically changed in any way?

Mr. ROBINSON. I couldn't tell you who initially handled the scrap.

Mr. BURLING. I don't mean the workers. I mean the contractors who arranged to have the scrap picked up in the yard and hauled out. Was that changed?

Mr. ROBINSON. I couldn't tell you. I know that the contract was let. It was given to another party than had had it previously.

Mr. BURLING. Mr. Robinson, search your recollection and see if you can't recall testifying under oath that there was no such change.

Mr. ROBINSON. I didn't say there was no change.

Mr. BURLING. You didn't say that previously?

Mr. ROBINSON. No, sir.

Mr. BURLING. I believe you testified that there was a change in the men who had the contract but there was no change in the method of disposal of the scrap. Isn't that right?

Mr. ROBINSON. No; there was no change in the method.

Mr. BURLING. Well, the same people took it out; isn't that right?

Mr. ROBINSON. I don't know whether the same people took it out or not.

Mr. BURLING. What position did you hold in 1945?

Mr. ROBINSON. I became president in October of 1945. Prior to that I was vice president and assistant general manager.

Mr. BURLING. You were assistant general manager?

Mr. ROBINSON. That is correct.

Mr. BURLING. And you didn't know who was hauling scrap out of Briggs?

Mr. ROBINSON. No. I knew there was a change in the contract, which I had said, in 1945.

Mr. BURLING. I am not interested in change of contract. The question is: Don't you know very well that the same people kept on hauling it out?

Mr. ROBINSON. No; I do not know.

Mr. BURLING. Well, on page 276 in the Murphy grand jury minutes this question and answer appear: "Are you acquainted with the changes that came about in the latter part of March and the first part of April 1945, in the method of the disposal of scrap in the Briggs Manufacturing plant?" Answer: "As far as I know, there was no change in the method of disposal, but there was a change in the people who had the contract on scrap."

Mr. ROBINSON. That is exactly what I have said now.

Mr. BURLING. Do you know Mr. Louis Freedman?

Mr. ROBINSON. No, sir; I don't believe I do.

Mr. BURLING. He has been hauling your scrap out for more than 20 years, and you don't know him?

Mr. ROBINSON. I don't know him.

Mr. BURLING. Have you ever heard of Woodmere Scrap Metal Co.?

Mr. ROBINSON. Yes.

Mr. BURLING. Don't you know the Woodmere Scrap Metal Co. was hauling it out before 1945 and still is today?

Mr. ROBINSON. I understand they are.

Mr. BURLING. So you know that the people that haul the scrap out didn't change, don't you?

Mr. ROBINSON. Well, I do now; yes.

The CHAIRMAN. When did you learn that?

Mr. ROBINSON. I don't know, sir; since this case came up.

Mr. BURLING. Was it a surprise to you when you learned it?

Mr. ROBINSON. No; not necessarily.

Mr. BURLING. Now, tell us how it happened that in April 1945, Woodmere, which had been the successful bidder the past 18 or 20 years, suddenly stopped being the contractor to buy the Briggs scrap and Carl Renda gets the contract.



Mr. ROBINSON. That I can't tell you. I don't know.

Mr. BURLING. You gave the order yourself; did you not?

Mr. ROBINSON. I did not.

Mr. BURLING. Are you going to say Mr. Cleary, who is dead, did it? Is that right?

Mr. ROBINSON. Mr. Cleary was in charge of making arrangements for hauling scrap for Briggs Manufacturing.

Mr. BURLING. And you haven't any idea why he changed the arrangement?

Mr. ROBINSON. Yes; I think I have an idea.

Mr. BURLING. Suppose you go ahead and tell us.

Mr. ROBINSON. We had constantly had complaints through our industrial relations department about short weight and theft of tools and other parts going out of our plant, and, naturally, we thought they were being hauled out by trucks that were hauling out our scrap. We never could prove it.

Mr. BURLING. So you kept having the same trucks, and the same laborers hauling scrap out but put Renda in between you and Woodmere. Now, what sense does that make?

Mr. ROBINSON. I don't know why Mr. Cleary did that. I suppose it was because he thought it necessary to make a change. Why, I don't know.

Mr. BURLING. The testimony the committee received last night, Mr. Robinson, is that Cleary, before he died, said he was sorry to make the change, to hire Renda, but he did it on orders from you. Now, would you say that Cleary was a liar?

Mr. ROBINSON. Mr. Cleary is not a liar. Mr. Cleary is as fine a gentleman as I have ever known. He wouldn't have done that for me or for anybody else if he didn't think it was the right thing to do. I am sure of it.

Mr. BURLING. Do you think Mr. Lilygren is a liar?

Mr. ROBINSON. No, sir.

Mr. BURLING. He testified under oath that Cleary told him he was sorry to do this, and Mr. Freedman testified to the same effect—that is, Mr. Herbert—that he was ordered by you to do it.

Mr. ROBINSON. That is not true.

Mr. BURLING. Did you know anything about Renda in 1945 when he got the contract?

Mr. ROBINSON. No, sir; I met him shortly after he got the contract.

Mr. BURLING. Well, what equipment, what capital equipment did he have to carry out this scrap contract?

Mr. ROBINSON. I do not know.

Mr. BURLING. Did you investigate?

Mr. ROBINSON. I did not.

Mr. BURLING. Do you know whether he had a yard or a railroad siding?

Mr. ROBINSON. I don't know anything about his business. Cleary handled the whole deal.

Mr. BURLING. Did you ever ask Cleary why he would take a fellow 1 year out of college without an office, without a telephone, without any technical training whatever, with no capital, no trucks, no loading equipment, no yard, no siding, no processing machinery?

Mr. ROBINSON. No, sir.

Mr. BURLING. You never asked him?

Mr. ROBINSON. No.

Mr. BURLING. It didn't strike you as odd that he suddenly started to do business with this firm?

Mr. ROBINSON. How would I know? I didn't know. I didn't have anything to do with it.

Mr. BURLING. I suggest to you, Mr. Robinson, that what happened was that Mr. Fry told you that he had been successful in dealing with his labor problems by giving his scrap contract to Sam Perrone and you might do well to set up a similar deal with his son-in-law.

Mr. ROBINSON. That is not true. I have never had any business deals with Mr. Fry.

Mr. BURLING. The only evidence that that is not true is Mr. Cleary, who is dead?

The CHAIRMAN. Mr. Robinson, is there no more light that you can shed on this matter? Because to the committee it really does appear to be a thing that requires explanation, and I should think in fairness to the good name of your company, you would be interested in enlightening the committee as to why this inexplicable thing occurred.

Mr. ROBINSON. I certainly would if I could.

The CHAIRMAN. Well, you have admitted that you did inquire as to Renda shortly after he got the contract?

Mr. ROBINSON. No, I did not inquire as to Renda.

The CHAIRMAN. Well, you learned about him.

Mr. ROBINSON. I learned that he had the contract; yes.

The CHAIRMAN. Well, weren't you sufficiently interested in ascertaining the facts as to why there had been a change and why a man who impressed you as being a straightforward and trustworthy individual was ousted and he brought in, just as counsel has said, with no equipment and nothing to commend him for this special consideration, as a result of which he earned \$100,000 in the second year?

Mr. ROBINSON. It depends on how much business he did, of course. It sounds like a large figure, but our scrap business is a tremendous business.

The CHAIRMAN. And that is the very reason I should think that you would have gone to the bottom of this instead of just dismissing it in just such a cavalier manner as you have appeared to have done.

Mr. ROBINSON. I had confidence in Mr. Cleary to handle his own job.

The CHAIRMAN. If the business was sufficiently large to give a man who said he was a mere broker \$100,000, certainly it was sufficiently important for Briggs to get to the bottom of it.

Mr. ROBINSON. Mr. Cleary got his money, I am sure. He got paid for it.

The CHAIRMAN. And our concern is whether or not any ulterior considerations motivated your company, because on the face of it, it looks absurd, to be perfectly frank with you, Mr. Robinson, and it brings us to believe that it is a pretty sorry state of affairs if American industry is brought to the point where it has to deal with hoodlums and has to deal with men in connections in the underworld and with criminal records, in order to carry on their business.

Now, if a man who has connections like—and I am referring to the Perrones and their like—mused in on otherwise legitimate business, then there seems to be something that the public is entitled to know

and that the Congress ought to be apprised of and take cognizance of, and that seems to be the state of affairs here.

Now, can't you give us any explanation or state anything for the record which will clarify that matter?

Mr. ROBINSON. We do not and never have dealt with racketeers or gangsters.

The CHAIRMAN. Well, the truth of it is that Renda came in and the same condition continued as before, except that he was inserted in between, and allowed to come in and walk off with \$100,000. Now, that certainly isn't in the interest of good business.

Mr. ROBINSON. I don't know what the situation was.

Mr. BURLING. Mr. Robinson, from what I understand, Cleary took this upon himself, and you didn't know about it until sometime later.

Mr. ROBINSON. After the contract was let, Mr. Cleary told me about it.

Mr. BURLING. That is not true; is it, Mr. Robinson?

Mr. ROBINSON. It is absolutely true.

Mr. BURLING. Then did you commit perjury before Judge Murphy?

Mr. ROBINSON. No, sir.

Mr. BURLING. You said the opposite before him; didn't you?

Mr. ROBINSON. No, sir.

Mr. BURLING. I will read to you from the record:

Question. Well, am I to assume Mr. Cleary took this upon himself to change the policy of some 18-20 years' standing in letting the sale of scrap of Briggs Manufacturing without your approval?

Answer. He did get my approval on the change.

Mr. ROBINSON. That is correct.

Mr. BURLING. That is not what you said a moment ago; is it, sir?

Mr. ROBINSON. That is correct. He brought Mr. Renda after he had made the contract with him, in my office.

Mr. BURLING. That is not getting approval to do something. The question here was: Did Cleary, a subordinate, undertake a change of policy that had been outstanding for 18 years? You said "No"; that he got your approval.

Mr. ROBINSON. We had no change in policy.

Mr. BURLING. You have been doing business with Woodmere for 18 years. Suddenly you take in a man who had never been in the scrap business before; isn't that a change?

Mr. ROBINSON. That is correct; it is a change.

Mr. BURLING. Well, did Cleary clear with you before he did it or not?

Mr. ROBINSON. No.

Mr. BURLING. So your testimony before Judge Murphy was perjurious?

Mr. ROBINSON. No. I told you and I believe I told him, Mr. Cleary, when he made the change, brought this man Renda in and introduced him to me.

The CHAIRMAN. For what purpose and what transpired?

Mr. ROBINSON. Because there had been so much criticism and so many reports about being short-changed on our scrap business, and tools and other materials being stolen from the plant.

The CHAIRMAN. Subsequent events demonstrated that that was an alibi, or a fake reason, because the self-same people continued to do it.

You, as president of the company, under obligation to the company as well as to the general public, certainly must have had interest to follow up and see that the change that was then effected produced results, and if you did manifest any interest whatsoever, you would have learned that the self-same people were carrying on day after day, and that there was no change effected, so this very compelling reason for the change to be made was just an empty gesture; isn't that true?

Mr. ROBINSON. That is not true.

The CHAIRMAN. Why isn't it true? What actual change was made?

Mr. ROBINSON. I will tell you that we are very well satisfied with the job that Mr. Renda has done. He has done a very good job.

The CHAIRMAN. What has he done if the same people carried on?

Mr. ROBINSON. If it is the same people that handled it before, he is doing a lot better than they did.

Mr. BURLING. What service has Carl Renda rendered of any nature whatsoever?

Mr. ROBINSON. Well, he rendered service every hour of the day.

Mr. BURLING. Please tell us what the service is.

Mr. ROBINSON. The service is taking care of a part of our scrap situation.

Mr. BURLING. No, sir; he doesn't. He testified himself that the same people that were doing it kept right on doing it.

Mr. ROBINSON. I don't know anything about his business. I don't know who he has working for him.

Mr. BURLING. Wait a minute. There was a scandal in 1946. There was a one-man grand jury investigation. Were you called before it?

Mr. ROBINSON. That is correct.

Mr. BURLING. And you still don't know that Renda doesn't do anything with respect to the scrap?

Mr. ROBINSON. I know he has the contract to handle our scrap.

Mr. BURLING. But who takes the scrap out of Briggs? Is it Woodmere?

Mr. ROBINSON. You told me.

Mr. BURLING. I want you to tell me.

Mr. ROBINSON. It is Woodmere.

The CHAIRMAN. Then it is not Renda?

Mr. ROBINSON. It is Renda. Renda has the contract. How he runs the business, I don't know.

Mr. BURLING. You said it was Woodmere.

Mr. ROBINSON. You told me. You put words in my mouth.

The CHAIRMAN. You are the president of the company.

Mr. ROBINSON. I wouldn't have any reason to check that.

The CHAIRMAN. You were summoned before the grand jury. You don't want us to believe——

Mr. ROBINSON. Mr. Renda has done a very good job.

The CHAIRMAN. That is your stock answer?

Mr. ROBINSON. That is correct.

The CHAIRMAN. But the fact is that you were called before the grand jury and you were put on notice that this matter was under inquiry and it has some sinister aspects and you want us to believe that you didn't, as president of the company, feel sufficiently concerned to go to the very bottom of it and find out what it was all about?

Mr. ROBINSON. I did.

The CHAIRMAN. Didn't you learn that Woodmere was still continuing to carry the scrap, and is up until this day, and that Renda has not been carrying it out?

Mr. ROBINSON. I am not interested in any part of Mr. Renda's business. That is his own business.

Mr. BURLING. Do you care at all about the reputation of the Briggs Manufacturing Co.?

Mr. ROBINSON. Yes, I do.

Mr. BURLING. I will say to you now that I am unhappily one of your stockholders and I intend to put my stock on the market, if that is the way you run the company.

Mr. ROBINSON. That is your privilege.

Mr. BURLING. You had ample notice in 1946 that Renda was a racketeer; did you not?

Mr. ROBINSON. No.

Mr. BURLING. You didn't learn that in the course of the Murphy grand jury?

Mr. ROBINSON. No, I didn't.

Mr. BURLING. I want to correct myself. Renda has no record. Renda doesn't do anything. The man that you really are paying is Sam Perrone; isn't that right?

Mr. ROBINSON. No, sir.

Mr. BURLING. You know that Sam Perrone is his father-in-law?

Mr. ROBINSON. I do.

Mr. BURLING. You learned that in 1946?

Mr. ROBINSON. On the grand jury investigation; that is correct.

Mr. BURLING. And you know Renda has a criminal record?

Mr. ROBINSON. No.

Mr. BURLING. I am sorry, I misspoke. He doesn't have a criminal record.

Do you know that Perrone has a criminal record?

Mr. ROBINSON. Yes.

Mr. BURLING. Your friend Mr. Fry told you that he went away to jail on a 6-year sentence, did he not?

Mr. ROBINSON. I heard that, I believe, on the grand jury investigation that he had served time.

Mr. BURLING. Mr. Fry didn't tell you, though?

Mr. ROBINSON. No.

Mr. BURLING. Now, I want to read you the closing—I think it is the closing—passage in your testimony of the grand jury. By the way, is it correct that after the grand jury got going and Mr. Garber had put the case in, a Mr. Moll was appointed as special assistant to the attorney general?

Mr. ROBINSON. Yes, I believe so.

Mr. BURLING. He was examining you?

Mr. ROBINSON. Yes.

Mr. BURLING. He called you "Dean"?

Mr. ROBINSON. That is right.

Mr. BURLING. You and he are friends?

Mr. ROBINSON. Yes, for a number of years.

Mr. BURLING. You didn't think it was odd that someone who was examining you, your conduct, should be a friend of yours and he did not disqualify himself?

Mr. ROBINSON. No.

Mr. BURLING. It reads:

Mr. MOLL. Do you think, Dean, on the other hand you could shake loose from these birds at this time?

Answer. Sure, we could shake loose.

This is back in 1946, is it not?

Mr. ROBINSON. That is correct.

Mr. BURLING (reading):

Mr. MOLL. Without any difficulty?

Answer. Yes, sir.

Mr. MOLL. I think this might be a time for a frank discussion off the record.

Now, will you tell us what the substance of that frank discussion which you, Judge Murphy, and Mr. Moll had about shaking loose from these birds?

Mr. ROBINSON. I don't recall any discussion of that.

The CHAIRMAN. Do you not recall that reference?

Mr. ROBINSON. I recall that, but I don't recall the discussion because I didn't know anything about it.

Mr. BURLING. It was suggested to you 5 years ago that you terminated the contract?

Mr. ROBINSON. Why should we?

Mr. BURLING. Because Mr. Renda performed no legitimate service for you?

Mr. ROBINSON. I beg your pardon, he is doing a good job handling our—

Mr. BURLING. Will you tell us now once and for all: What service does Renda perform of any nature whatsoever?

Mr. ROBINSON. Well, he is serving us every hour, every day, as I told you. He is the contact man as far as we are concerned with any scrap that has to be moved out of certain locations and he is called. They don't call anybody else. They call Mr. Renda, in my opinion.

Mr. BURLING. Do you know if you ever investigated him?

Mr. ROBINSON. I never investigated his business; no.

The CHAIRMAN. How do you know he performs services every hour?

Mr. ROBINSON. I know from our own people. I have checked to see we are paid, what prices we get, and I know that he is doing a good job.

Mr. BURLING. I know you pay, there is no doubt about that. You checked your own people—have you checked your own people to see whether they call Renda on a particular movement of scrap or they call Woodmere?

Mr. ROBINSON. No; but I assume they would.

Mr. BURLING. I do not care whether you assume; have you ever checked it?

Mr. ROBINSON. No.

Mr. BURLING. Do you not think you have an obligation to check?

Mr. ROBINSON. No.

Mr. BURLING. Even though 5 years ago you knew there was a grand jury investigation of the very charges we are talking about here, you have not thought it appropriate to check?

Mr. ROBINSON. No.

Mr. BURLING. You have no way of stating of your own knowledge that Renda performs any service then, have you?

Mr. ROBINSON. I have told you repeatedly.

Mr. BURLING. You have not checked and you do not know and you assume that he performed this service. However, you will not tell us and stubbornly refuse to tell us what services he performs. Can you not help us a little?

Mr. ROBINSON. I have told you before that as far as I am concerned in my opinion he is the contact man that our people would get in touch with to handle the scrap in the normal way of our business.

Mr. BURLING. Do you contact him?

Mr. ROBINSON. No.

Mr. BURLING. Have you ever checked to see whether anybody else contacts him except to pay him?

Mr. ROBINSON. I don't go with him.

Mr. BURLING. Have you ever checked?

Mr. ROBINSON. No.

Mr. BURLING. You have no reason to say that except that you assume it?

Mr. ROBINSON. I assume that that is correct.

Mr. BURLING. You cannot testify of your own knowledge?

Mr. ROBINSON. No.

Mr. BURLING. I think the point is made, Mr. Chairman.

The CHAIRMAN. All right, Mr. Robinson, that will suffice.

(Witness excused.)

The CHAIRMAN. Emil Mazey.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. MAZEY. I do.

### TESTIMONY OF EMIL MAZEY, SECRETARY-TREASURER, UAW-CIO, DETROIT, MICH.

The CHAIRMAN. What is your full name, please?

Mr. MAZEY. Emil Mazey.

The CHAIRMAN. What is your address, Mr. Mazey?

Mr. MAZEY. I live at 20574 Buffalo.

The CHAIRMAN. And your occupation?

Mr. MAZEY. I am secretary-treasurer of the UAW-CIO.

The CHAIRMAN. Mr. Mazey, there are certain questions on a limited phase of the matter we desire to put to you first, and then later we will ask for the benefit of your knowledge on a broader scale.

Counsel, will you proceed?

Mr. BURLING. In other words, we are going to ask you some questions now. Have you ever been associated in any way with the Briggs Manufacturing Co.?

Mr. MAZEY. Yes; I have.

Mr. BURLING. Will you state when you first were and how?

Mr. MAZEY. I began working for the Briggs Manufacturing Co. in April of 1936, and my employment was terminated with the company on December 1, 1936, because I was the leader of the organizational drive of the UAW-CIO in the plant. I was discharged on that day. I was bodily thrown out of the plant by four of the company thugs on the night of December 1.

Mr. BURLING. Go on and tell us the story of your association briefly.

Mr. MAZEY. Subsequently, I organized a plant. I was president of the Briggs local for 5 years.

Mr. BURLING. Will you give us the dates?

Mr. MAZEY. From 1937 through 1941.

Mr. BURLING. You were president of the Briggs local?

Mr. MAZEY. That is right. At the present time, I am director of the Briggs department of our union. I have negotiated with the officials of the Briggs Manufacturing Co. in most of the contracts, including their first contract and their most recent contract.

Mr. BURLING. Well, now, I will ask you to address your attention to a time beginning around April 1, 1945. How were the labor relations at Briggs at that time? Was there anything special that happened?

Mr. MAZEY. Well, April 1, 1945—

Mr. BURLING. April 1?

Mr. MAZEY. It is around that particular date, a number of members of my local union were beaten up by thugs. The first person that was beaten up in May of 1945 was Art Vega.

Mr. BURLING. That is the first of the so-called—

Mr. MAZEY. First of the Briggs beatings.

Mr. BURLING. What was the date?

Mr. MAZEY. I believe May 27, 1945. That same year, Roy Snowden, who was a sergeant of arms of the local union, was beaten up twice in the fall of 1945.

In early 1946, Jeonora Dollinger, a steward in the plant, was beaten up in her home on June 1.

Mr. BURLING. That was a woman who was beaten?

Mr. MAZEY. A woman; yes. They broke into her home and beat her up while she was in bed.

On June 1, 1946, Ken Morris, president of my present local 212, was severely beaten up by unknown thugs.

Following the first beatings which took place—the beatings of Vega, Snowden, and Dollinger—I was in the Army. I got out of the Army in May 1946, and I was elected regional director of the UAW-CIO while in the service, and Ken Morris was beaten up shortly after I came out of the Army.

Mr. BURLING. Can you fix the date?

Mr. MAZEY. He was beaten up on June 1, 1946. I got out of the Army May 16, 1946. I checked into these beatings and found that the police department had apparently done nothing to solve these problems.

Mr. BURLING. They were not solved?

Mr. MAZEY. They weren't solved.

Mr. BURLING. Did Briggs' itself do anything to endeavor to solve the problem?

Mr. MAZEY. No, they didn't do anything to my knowledge. I had information that was given to us about the scrap deal, the details as to how they obtained it, and I felt that the motive or reason for the beatings was that the company had given the scrap contract to Carl Renda, and that the payoff was for the beatings that were administered the followers of mine in our union. I presented this information to Judge Jayne of the circuit court, and asked him to establish a one-man grand jury. Judge Jayne tried



to convince me that the grand jury of Judge Murphy ought to handle this problem, which is already in effect.

I argued with Judge Jayne and I felt a special grand jury should deal with this problem alone. However, I was unable to convince him and this matter was referred to Judge George Murphy's grand jury.

Mr. BURLING. We have the record of that.

Mr. MAZEY. I presented information to that grand jury relating to these beatings and our particular opinion as to why the beatings took place.

Mr. BURLING. That is already in the record.

Mr. MAZEY. That is in the record.

Mr. BURLING. I have just one more question. Did you ever communicate your suspicions concerning Mr. Renda to any Briggs officials?

Mr. MAZEY. Yes; I did.

Mr. BURLING. Will you name the officials?

Mr. MAZEY. I gave it to Fay Taylor, who was the personnel director of the company, who is now dead, and also gave it to Mr. Walter Connelly, who is presently the personnel director of the company. I told the company indirectly our feelings and suspicions about these matters.

Mr. BURLING. You do not know whether the company ever checked into the Renda deal?

Mr. MAZEY. I am quite certain that the company did check into it from information that I got from people that occasionally gave me information of the companies and their workings.

Mr. BURLING. You know, of course, Renda is Sam Perrone's son-in-law?

Mr. MAZEY. Yes; I do.

Mr. BURLING. Do you know anything about Sam Perrone's labor operation?

Mr. MAZEY. Yes; I am familiar with some of his operations.

Mr. BURLING. Has the UAW ever tried to organize the Michigan Stove Works?

Mr. MAZEY. Yes; they tried to organize a plant on three occasions. On two occasions, they did organize a plant.

Mr. BURLING. When were those occasions?

Mr. MAZEY. It was organized some time in 1937.

Mr. BURLING. The testimony is that Mr. Sam Perrone went in jail in February 1937. We would be interested in knowing the date that you managed to organize it.

Mr. MAZEY. I had no individual contact with the organization, but the information that I have indicates that the plant was organized after Mr. Perrone was in jail.

Mr. BURLING. What happened when Mr. Perrone got out of jail?

Mr. MAZEY. The organization disappeared.

Mr. BURLING. I have no further questions.

(Witness excused.)

The CHAIRMAN. John Bugas.

Mr. BURLING. Mr. Chairman, I think the record should show that Mr. Walker is coming forward. I rather expected Mr. Bugas to be here today. I do not know and I have not heard from him. I expected him to be here.

The CHAIRMAN. Before being sworn in, what is your full name?

Mr. WALKER. Gordon L. Walker.

The CHAIRMAN. Mr. Walker, you stood up when Mr. Bugas' name was called. Are you here representing him?

Mr. WALKER. I am representing him.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. WALKER. I do.

### TESTIMONY OF GORDON L. WALKER, FORD MOTOR CO., DETROIT, MICH.

The CHAIRMAN. What is your full name?

Mr. WALKER. Gordon L. Walker.

The CHAIRMAN. What is your address?

Mr. WALKER. I live in Dearborn, at 535 South Gulley Road.

The CHAIRMAN. What is your business connection?

Mr. WALKER. Manager of the securities and communications department for the Ford Motor Co.

The CHAIRMAN. Mr. Walker, you have just volunteered the information that you were here representing John Bugas. Why is he not here?

Mr. WALKER. I have no knowledge why he is not, Senator. I appear this morning to represent him in the event he did not return. As you know, and as Mr. Burling knows, he has been in Florida. We were hopeful that he would return this morning. However, I assume he is not back to town yet.

The CHAIRMAN. You, apparently, are prepared to be here in his stead?

Mr. WALKER. In the event he did not.

The CHAIRMAN. When were you advised there was some doubt as to his appearance?

Mr. WALKER. I have not been advised—there was some doubt yesterday.

The CHAIRMAN. What knowledge do you have as to his efforts to be here?

Mr. WALKER. I have no knowledge of that, Senator. I assume he did everything in his power to get here.

The CHAIRMAN. Apparently you prepared yourself so as to be on hand if he were not here.

Mr. WALKER. I prepared material for him to use, Senator. In his absence, if it is agreeable with the committee, I will use it.

The CHAIRMAN. Can you throw no more light on the question as to why he is not here?

Mr. WALKER. I regret I cannot, Senator.

The CHAIRMAN. All right. Counsel may proceed.

Mr. BURLING. I think in fairness to this witness, it should be said, Mr. Chairman, that he and I discussed the subject matter which Mr. Bugas would talk about. I think he was preparing some figures for Mr. Bugas' use. However, I wish to say again, Mr. Bugas agreed with me to be here. I did know he was going to Florida but he promised to come back from his vacation in order to testify.

Mr. Walker, the committee is particularly interested at this time in the problem of in-plant gambling. By that we mean large-scale gambling that goes on inside plants. The committee staff has selected the River Rouge plant to make a study, for only one reason, and we want to be entirely fair to the Ford Motor Co. The sole reason that the Rouge plant has been selected to study is the fact that it is the largest plant in Detroit and, we believe, in the world, the largest single plant enclosed by a single fence. It is just a coincidence, or happenstance that the largest plant happens to be a Ford plant.

We have examined the largest single plant of General Motors and the largest Chrysler plant. We have no reason to believe, after a staff study, that there is more gambling per capita at the Rouge plant than elsewhere. We suppose, and it is a reasonable presupposition, that there is more gambling at the Rouge plant than elsewhere, because there are more men to gamble there. We are selecting the Rouge plant not as a glaring example, but as a test tube for us to experiment with to study the gambling situation throughout this area.

Now, will you proceed to make such statement as you wish concerning the forms of in-plant gambling, what the Ford Motor Co. thinks about it, and what it is doing about it, and what, if anything, can be done to better the situation.

MR. WALKER. I will be glad to.

I have been invited to appear before this committee as a representative of the Ford Motor Co. for the purpose of relating the experience of our company in combating in-plant gambling among employees. We are glad to be able to assist in the committee's investigation and will, of course, cooperate in any manner possible. At the outset, however, I would like to establish for the record that :

There is no evidence that in-plant gambling in Ford plants is more prevalent than in other industrial plants of comparable size and activity.

Gambling on company property is a violation of established policy. Employees found guilty of participating in such activities have and will be properly disciplined.

We regard the enforcement of Federal, State, and local laws and ordinances, the responsibility primarily of constituted law-enforcement agencies. As a part of our community responsibility, however, we have and will fully cooperate with such agencies in the discharge of their responsibilities.

An intelligent appraisal of gambling activities within industry cannot be made without an understanding of the problems involved. Using Ford Motor Co.'s Rouge plant as an example, it should be noted that 69,000 people of various skills and trades are currently employed in this plant. Within the plant's perimeter are 1,212 acres of land upon which are located blast furnaces, docks, assembly lines, machine shops, a glass plant, and coke ovens. There are complete railroad and bus systems and a large production foundry to which I will refer in greater detail later. Operations are carried on in 99 buildings which provide in excess of 15,000,000 square feet of floor space containing over 120 miles of conveyors. For ease in transporting raw stock and finished units, 26 miles of roadways and 106 miles of railroad tracks have been constructed within the plan area. In

addition, 11½ miles of docks have been constructed to handle water-borne shipments of raw material, including approximately 850,000 tons of ore and 2,500,000 tons of coal during each shipping season. One hundred and twelve acres of land have been set aside as parking space for over 22,000 cars which are parked in the Rouge area daily by employees, vendors, outside contractors, and visitors.

During a recent 24-hour period, a total of 49,000 vehicles, 148,000 people, and 468 trains passed plant gates. An average of 210 persons per minute entered or left the plant through gate 4, one of the principal pedestrian gates, during the ship-change period from 2:45 to 3:45 p. m.

In the interest, Mr. Burling, of conserving time of the committee, I have considerable additional statistics which, if you like, I will not go into here.

The CHAIRMAN. We will consider them all a part of the record.

Mr. WALKER. Yes. If I may say, Senator, I would like briefly to touch upon our Dearborn foundry which is one of our problems.

I would like now to briefly describe for you the facilities and layout of our iron foundry which we have found to be a principal location of gambling activities.

Mr. BURLING. May I interrupt you? Is the foundry the largest single building or plant unit within the Rouge area?

Mr. WALKER. It is, within that particular area, and I have the statistics in here.

The iron foundry, employing over 10,000 production employees, contains an area of nearly 1,000,000 square feet of floor space. It is located immediately adjacent to the casting-machine plant which is 1,200 feet long and 190 feet wide. Since the foundry and casting-machine plant are constructed under one roof, employees working in the foundry have relatively free access to the casting-machine plant which borders Miller Road, a public thoroughfare. This, in itself, presents a problem since employees from both plants have been apprehended in the act of passing mutual betting slips to pick-up men standing on Miller Road.

The physical construction of the Dearborn iron foundry provides numerous areas where gambling activities may be carried forward with little chance of detection by supervisory or guard personnel. For example:

Twelve 280-foot tunnels used in removing refuse sand from manufacturing operations provide excellent concealment and allow easy access to all parts of the building.

Starter houses containing switches, brakes, and other electrical equipment necessary to operate conveyor lines provide good concealment because of the peculiar nature of their construction and their relatively isolated location.

Observation of employees working on the balcony is difficult because sections of the balcony floor are necessarily constructed at different levels. Separate stairways are provided for each elevation.

Twenty enclosures erected on the roofs of both the Dearborn iron foundry and the casting machine plant, for cooling castings, afford excellent concealment for gambling activities. These enclosures are approximately 45 feet high and range in width from 20 to 40 feet.

Stock such as motor blocks and castings in storage areas provide excellent places for concealment of gambling activities.

Company and outside trucks delivering alloy, stock, and other material to the foundry provide an excellent opportunity for the transportation of mutual betting slips.

Miscellaneous locations such as tool cribs, lunchrooms, locker rooms, and toilets provide opportunities for employees to gather in groups where gambling activities may be conducted without creating suspicion.

It is obvious that any combination of these factors reduces considerably the opportunity of plant guards and members of supervision to eliminate gambling activities in this area.

Plant guard personnel, since they are not public law enforcement officers, do not possess powers of arrest greater than that which is afforded a private citizen. Employees suspected or known to be engaged in gambling activities cannot be arrested on the spot, thereby providing ample opportunity for the destruction of evidence.

Under the provision of our present contract with the UAW (CIO), plant guards are required to be identified as such through the use of distinguishable uniforms or other identifiable insignia. It is readily apparent that the observation of a guard in uniform quickly results in the discontinuance of gambling activities.

Although the national leadership of the UAW (CIO) has stated its opposition to employee gambling, union representatives at the working level have, on occasion, impeded the proper enforcement of antigambling regulations. This interference has been evidenced in the form of vehement protests upon the apprehension of a gambling employee; insistence that they participate in the interrogation of the employee; advice to the employee to make no incriminating statement, and the filing of grievances alleging violations of the contract.

Under the grievance machinery established by our contract with the UAW, disciplinary action imposed as the result of infractions of working rules and regulations may be reviewed by an impartial umpire retained by the company and union. Evidence of such infractions must therefore be conclusive as to guilt. Guilt having been properly established, disciplinary action imposed must be justified as to reasonableness.

Apprehensions of gambling employees indicate that mutual numbers betting ranks first in frequency. While dice games and book-making are observed on occasions, numbers playing has the greatest popular appeal among employees largely because of the facts that small amounts of money can be bet and the returns from a "hit" are lucrative.

I regret that we have no figures upon which an accurate estimate of the extent of gambling in our plants can be based. While we do maintain statistics regarding the number of apprehensions, disciplinary actions, and prosecutions, these figures do not, unfortunately, give any indication of the total number of employees or dollar volume involved. I am aware that various estimates of the extent of gambling have been made by persons not employed by the Ford Motor Co. An examination of these estimates reveals that they were based upon certain assumptions which cannot be substantiated in fact.

I would like next to relate to you briefly what steps we have taken to control in-plant gambling. I shall again use our Rouge plant as

an example, since it is our largest plant, having the greatest concentration of employees.

1. Through the media of plant newspapers, employee news letters, management meetings, and employee handbooks, we have publicized company policy prohibiting gambling.

2. Through the medium of organized training sessions, we have emphasized to both plant guards as well as supervisory personnel their responsibilities in enforcing antigambling regulations.

3. Plant-protection supervisors are required to regularly spot-check areas where it appears likely that gambling may occur in order to insure that guards remain vigilant to this problem.

4. Guard and investigative personnel have been assigned to work independent of and in cooperation with local police officers in the apprehension and interrogation of employees believed to be engaged in gambling activities.

5. Local police officers have been permitted unrestricted access to all areas of the plant in order that they may further check upon gambling activities.

6. Information relating to the identity or activities of outside gambling operators obtained during the course of our investigations has been made available promptly to interested police departments.

As a result of this activity during the year 1948, disciplinary action, including suspensions without pay and discharges, was imposed upon 167 employees in the Rouge plant. Of these, 55 were prosecuted and convicted by local courts. During the year 1949, 145 employees were disciplined, 57 of whom were prosecuted and 55 were convicted. During the year 1950, 144 employees were disciplined, 42 of whom were prosecuted and 41 were convicted.

We believe that these figures are not necessarily indicative of the effectiveness of our efforts, since the deterring effects of a continuing enforcement campaign cannot properly be measured in terms of discharges or convictions.

You will note, Mr. Chairman, that I have given, in considerable detail, a description of physical and organizational difficulties, many of which undoubtedly are experienced by any large industrial employer in enforcing antigambling regulations. You have also been furnished statistics with regard to gambling within the Rouge plant of our company. I should like, at this point, to make it unmistakably clear that by doing so we do not infer or believe that substantial numbers of our employees are engaged in this or other unlawful activities.

Certain conclusions which may be of interest to the committee may be drawn from our experience.

The problem of in-plant gambling cannot be separated from moral, economic, and legal implications of gambling in the community at large. Industrial employment, with its large concentration of people, merely provides the opportunity and the association to do that which the individual is motivated to do. If he is motivated to gamble, the time and the place are of relative unimportance.

The apprehension and proper disciplining of a gambling employee, while serving a useful deterring effect, is not a complete solution to the problem. Discharged numbers writers and "pickup" men may immediately be replaced by other employees for the same purpose. While the "privates" of the activity may be punished, the "generals" never enter company property.

The courts must be empowered and public opinion must demand that convicted principals in organized gambling not be fined and placed upon probation but be imprisoned in relation to the nature of their offenses.

The CHAIRMAN. Mr. Walker, just one question suggests itself to me. You have, of course, in the statement referred to the one trend as the principal location of gambling activities; and, while you indicate that you cannot state with certainty the amount of money that figures in gambling, annually, can you not give us some approximation?

Mr. WALKER. I made that statement, Senator, with regard to the frequency of gambling cases in that particular area. We could give you those figures, but I regret I don't have them broken down in that way now. We could give them to you.

The CHAIRMAN. Can't you just give us an estimate as to money?

Mr. WALKER. I think I covered that in my statement. I'm sorry, I can't, Senator.

The CHAIRMAN. Some calculation has been made to the effect that it might approximate about \$15,000,000. Would that, in your opinion, be a fair estimate?

Mr. WALKER. We have had approximations from \$1,000,000 to \$100,000,000, Senator, and we feel that we are in the best position to evaluate that. On each of those estimates which we have had, we have tried to evaluate them, and have never been successful.

The CHAIRMAN. That is a very important phase of the matter, because, in order to understand the seriousness of the problem and what is necessary to cope with it, we do wish to have some specific information as to the amount of money figuring in, because that, of course, does bear upon the entire problem.

Mr. WALKER. It certainly does. I might like to explain, if I may, the experience that we have had with some of those estimates.

In checking back to determine upon what bases they were prepared, we find that the usual practice has been to assume that perhaps 1 employee out of 10 is gambling. If you have a total employment of 100,000, then one out of each ten of those must be gambling. They have also assumed that each employee would play on an average of a nickel or a dime a day; so they multiplied the total number by the estimated amount of play each day and they come up with a total. The seriousness of this thing, I think, is of such a nature that we shouldn't speculate on it.

The CHAIRMAN. Yes. We shouldn't speculate; but, Mr. Walker, we have to do what you do and your other officials of the company do with respect to any matters in cost analysis. For example, if racketeers are draining off, as they unquestionably are, large sums of money from your plant and from other plants, that draining and that amount which they are illegally taking off unquestionably plays a part in the cost of the product, in the salaries of the men and in the ultimate bill which the general public must pay. So that it is, of course, a very important phase.

Mr. WALKER. Exactly. I certainly agree with you, Senator. We would like very much to know, and I would be most happy to give it to you. I certainly don't mean to appear evasive. We will be very glad to give it to you if it was available.

The CHAIRMAN. It helps the public in so many different ways. Not only is it directly reflected in the cost of the product, but it has

to do, of course, with the cost of surveillance and protection and of police and of courts and everything else, and that is why the estimate was figured, and I understand that several have agreed that it would probably be at least \$15,000,000, maybe in excess of that.

Mr. WALKER. I have no means of knowing whether that is right or wrong. I would suspect, based upon the previous estimates that we have had, that it is considerably exaggerated, Senator.

The CHAIRMAN. But you do, of course, indicate that there are several different types of gambling. The numbers, you place first. You have dice second, and bookmaking third.

Mr. WALKER. By far, yes.

The CHAIRMAN. So that you do have some detailed information, because you classify them in that manner.

Mr. WALKER. Yes, and those are based upon the apprehensions which I have just given to you, Senator. Based upon those apprehensions, numbers do play, by far, the greater part of gambling activity.

Mr. BURLING. You said that your estimates ran from \$1,000,000 to \$100,000,000?

Mr. WALKER. I say that those are the estimates which we have had, Mr. Burling, in newspapers, magazine articles, and elsewhere.

Mr. BURLING. At any rate, nobody has ever estimated less than \$1,000,000?

Mr. WALKER. Not that I am aware of; I don't know.

Mr. BURLING. If we took an average of estimates, we come right around \$50,000,000?

Mr. WALKER. Well, that is pretty reckless treatment of statistics. I wouldn't care to do that.

The CHAIRMAN. Mr. Walker, judging by the number of arrests that have been made, we, of course, might assume they were not the entire number of gamblers—they did not represent all the gambling activities, because some unquestionably evaded or escaped arrest.

Mr. WALKER. Absolutely.

The CHAIRMAN. There appears to be considerable gambling activity. That is true; is it?

Mr. WALKER. I would say in relation to those figures that it is relatively small, sir. I mean, a comparison with 69,000 people. But, by the same token, I certainly would, at the same time, want to indicate that that is all the gambling that we have.

The CHAIRMAN. That is right.

Mr. WALKER. Because our enforcement campaign isn't that effective. It couldn't be.

The CHAIRMAN. And, of course, in addition to the other byproducts and offshoots of gambling, where, in addition to, of course, the racketeers draining off so much, unquestionably it does affect the efficiency of the worker, the time given.

Mr. WALKER. I think it does, although, at the same time, I think possibly that, too, has been exaggerated. I have the same feeling.

However, some of our production people, on the contrary, feel that, at times, it provides an outlet for the employee, not necessarily on company time but lunch periods. We don't excuse that from the moral viewpoint, of course, but there is that argument that it provides an outlet. So, to that extent, perhaps, it isn't an interference with production. My view, of course, is that it is.



The CHAIRMAN. Well, Mr. Walker, we all understand that with the attention being devoted to bookmaking and to numbers, a person's mind may not be on his work all the time.

Mr. WALKER. I think that is true.

Mr. BURLING. One thing that the staff has heard in discussing this problem with various people, is that union officials are exceptionally—that is, on the working level—are exceptionally likely to be solicited as numbers runners, because they are free to move throughout the plant.

Mr. WALKER. Yes.

Mr. BURLING. Will you tell us about the badge system? Is an ordinary worker free to move around the plant, or is the Rouge plant subdivided by inner fences which require different classes of badges?

Mr. WALKER. Generally speaking, Mr. Burling, an employee within the Rouge plant would have relatively free access to any area of the plant. The exception that I have in mind, as an example, is the result of the recent emergency. We are restricting some highly strategic areas such as our power plant. An employee would not necessarily have free access there. But generally speaking throughout the plant, an employee would have free access to it.

Mr. BURLING. So that the only thing that controls the movement of an employee around the plant is supervision?

Mr. WALKER. That is right, and also a check by the plant guard which, because of the lay-out of the plant, is relatively ineffective for that purpose.

Mr. BURLING. And you do not have a picture badge?

Mr. WALKER. We do not have a picture badge at the present time; no.

Mr. BURLING. It would be relatively simple, would it not, to find, if I wished, a Ford Co. badge and enter your plant tomorrow morning at shift time?

Mr. WALKER. Unfortunately, Mr. Burling, that is true, because the badges we now have, have been in use for some time. As I indicated to you in our personal discussions, we are giving serious thought to changing our badge, but in direct answer to your question, I feel sure you could get a badge if you tried.

Mr. BURLING. Now, you discussed the effect on Ford of this gambling situation, and we are going to hear from a representative of the UAW, but I wonder if you would be willing to state your opinion of what effect, if any, on the union and on union relations this gambling problem has.

Mr. WALKER. I don't know that I would be prepared or qualified to speak with regard to the effect which it would have upon the union. I feel that we all agree that gambling, from a moral sense and also from our viewpoint as an employer, is an extremely undesirable thing. It also seems to me that gambling, if it were to be carried to the extreme—and we have no knowledge that it is, among union representatives—and I would like to make it clear, so far as our own experience is concerned, we have no information along those lines—but if it were, assuming that it were, it seems to me that it could be very injurious to the organization.

The CHAIRMAN. All right, Mr. Walker. We are very much obliged to you. Thank you.

(Witness excused.)

The CHAIRMAN. Chief Ralph B. Guy.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GUY. I do.

**TESTIMONY OF RALPH B. GUY, CHIEF OF POLICE, DEARBORN, MICH.**

The CHAIRMAN. Now, your full name, please?

Mr. GUY. Ralph B. Guy.

The CHAIRMAN. Mr. Guy, what is your present position?

Mr. GUY. Chief of police of the city of Dearborn.

The CHAIRMAN. And for what period have you been chief of police?

Mr. GUY. A little over 3 years.

The CHAIRMAN. How long have you been engaged in police work?

Mr. GUY. A little over 3 years. I practiced law for 17 years prior to that.

The CHAIRMAN. You are a member of the bar?

Mr. GUY. Yes, sir.

The CHAIRMAN. And you practiced for 17 years prior to becoming the chief?

Mr. GUY. Yes, sir.

The CHAIRMAN. All right, fine, sir. I would be so much obliged to you if you would keep your voice up in the very same fine manner as you have thus far, and answer the questions. Thank you.

Counsel, will you proceed?

Mr. BURLING. Chief, do you know a man named Edward Hester?

Mr. GUY. I do.

Mr. BURLING. When did he first come to your attention?

Mr. GUY. He first came to my attention about May or June of 1948.

Mr. BURLING. And will you tell us the circumstances of that, please?

Mr. GUY. I first met him in my office when he came in with a Lieutenant Mele, heading our vice squad.

Mr. BURLING. Will you tell us what happened at that time? Who said what?

Mr. GUY. He asked Lieutenant Mele if he could see me, and Lieutenant Mele said, "Why certainly." So he brought him in and we discussed the rackets, mutuels——

Mr. BURLING. We are very much interested in this, and we would like the most detailed statement that you can give us. Of course, you can't recall every word, but try to tell us what Hester said to you.

Mr. GUY. Well, Hester was interested in having a monopoly on the mutuels at the Ford Motor Co. Rouge plant, in the city of Dearborn.

Mr. BURLING. I see. What did he say about it?

Mr. GUY. And he said that there was lots of money down there.

Mr. BURLING. Did he give you an approximation of how much money he thought there was?

Mr. GUY. He said it ought to be worth at least from two to five thousand dollars for me every month.

Mr. BURLING. For you?

Mr. GUY. Yes.

Mr. BURLING. As chief of police?

Mr. GUY. Yes.

Mr. BURLING. Did he say how much money there was in all in the take from numbers?

Mr. GUY. He just said there was lots of money.

Mr. BURLING. He didn't give you a figure?

Mr. GUY. He had a big smile on his face when he said it.

Mr. BURLING. All right. Will you go on and tell us what you said and what he said, please?

Mr. GUY. He said that he would go and talk to the boys that headed the houses that were operating down there.

Mr. BURLING. Did he tell you who they were?

Mr. GUY. No; he did not.

Mr. BURLING. Did you know who were the top heads of the houses that operate at Rouge?

Mr. GUY. No, sir; I did not.

Mr. BURLING. Have you ever been able to find out who is the top of the numbers houses?

Mr. GUY. No, sir.

Mr. BURLING. It can't be done by ordinary police methods; is that right?

Mr. GUY. This is what we were attempting to do through Hester, but the case blew up before we could get that far.

Mr. BURLING. Will you go on and tell us the story, please?

Mr. GUY. After that, we talked about the salaries down there, how much the men were making, and about the Joe Louis fight. He was in my office about 10 minutes and left. He said he would see me later, after he saw the boys.

Mr. BURLING. And your purpose in not throwing him out when he offered you two to five thousand dollars a month was that you wanted to play along with him to see where that would lead to; is that right?

Mr. GUY. We certainly did.

Mr. BURLING. What happened next?

Mr. GUY. If I may, previous to his coming to my office, I would like to say what happened with Lieutenant Mele of our vice squad.

Mr. BURLING. We want to get the full story.

The CHAIRMAN. Go ahead, Chief.

Mr. GUY. Edward Hester was a comitteeman for the foundry of local 600, and he could come and go as he pleased and had free access to the building or buildings throughout the plant. Every time a man was taken to Labor Relations from the foundry, Hester would come in and represent him. Upon one of those occasions, he gave Mr. Howartha, who was with Labor Relations there, a list of seven men that he said were pick-up men and writers in the foundry.

Mr. BURLING. Excuse me. We know, but the rest of the public doesn't know what pick-up men and writers are. Will you explain that?

Mr. GUY. Writers are the men that contact the bettor and make arrangements for the size of bet and what races they are going to bet, and what numbers they are going to bet. They gather those and then the pick-up men take the numbers from the writers and pass them on to the house.

Mr. BURLING. They also pass money, too; do they not?

Mr. GUY. Well, not at the same time.

Mr. BURLING. The idea is that one man will take the money out and if he is arrested, there is no proof he is associated with numbers and maybe it is his money?

Mr. GUY. That is right.

Mr. BURLING. Another man is arrested and there is no proof it is a betting operation because all there are are slips but there is no money?

Mr. GUY. That is right. The writer, all he has is slips and another man will collect the money or the writer will collect the money as he has disposed of his slips. Now, he gave these names to Mr. Howartha. Mr. Howartha passed them on to Lieutenant Mele. The following day we arrested those people.

Mr. BURLING. Hester, who was also a numbers man, turned in other operators' numbers men; is that right?

Mr. GUY. That is right, and we arrested them the following day. The night of the arrest Hester called Lieutenant Mele and asked him if he could meet him and he met with Hester, and Hester wanted to know if he could put one of the men back to work, and Lieutenant Mele said, "I think we can." So, in pursuance to that, one of the men was put back to work. Well the day following his going back to work, Hester left an envelope containing a \$100 bill with Mr. Howartha in Labor Relations, saying that it was for Lieutenant Mele. Lieutenant Mele picked up the envelope, I think not the day after but the following day, inasmuch as he wasn't down there the following day. The second day he picked up the \$100 bill and immediately came to my office with it, and we decided to play along with Hester and see if we couldn't get the big boys. That night Hester called Mele at his house and asked him what he'd want to give him protection down there and Mele says, "What would I want? I have got a boss." He said, "I don't know." He said, "I couldn't do it." Well he said, "What kind of a fellow is your boss?" And Lieutenant Mele said, "He is a good Joe." So this all preceded Hester coming to my office.

Well, now, after Hester left my office, he said he'd see me on a later date. It wasn't until about a month later that he called me about 4 o'clock in the afternoon and asked if he could see me. I said "Yes," and about 5:10 he came into my office. I suspected that perhaps by this time he would have collected some of that money that he was going to collect for me and so I put a detective behind a steel cabinet—clothes cabinet—in my office—

The CHAIRMAN. In a position to overhear anything said?

Mr. GUY. About 10 feet from where Mr. Hester was sitting and about the same from where I was sitting. Mr. Hester came in and he said that he had had trouble seeing some of the boys, but he did see the fellow at the Beason House and said he had \$100 for me. With that he pulled out 10 \$10 bills and passed it over to me, and then I opened my key and asked my secretary to bring in some papers. With that a couple of detectives came in.

Mr. BURLING. At a prearranged signal?

Mr. GUY. Yes; it was. And I had the \$10 bills in my hand. I said to Hester in the presence of the detectives, "You just gave me this money?" He said, "Yes; I did," and I obtained a warrant for his arrest the following morning. This was about 5 o'clock and the courts were closed and he was arraigned on that warrant. Two weeks later he had an examination on that warrant.

The CHAIRMAN. What was the day of that arraignment?

Mr. GUY. The arraignment was on July 2, 1948. Hester was arraigned on a warrant.

The CHAIRMAN. And the charge?

Mr. GUY. The charge of attempted bribery of a public official. Upon the examination he was bound over to the circuit court for trial. On July 30, 1948, the Dearborn municipal court made its return to the circuit court.

Mr. BURLING. What did it return to the circuit court?

Mr. GUY. It returned its findings on the examination binding him over for trial on a felony to circuit court.

Mr. BURLING. That is the equivalent of an indictment, is it? I am not familiar with Michigan law.

Mr. GUY. It is. It is the equivalent to an indictment, and on December 20, 1948, an information was filed on Edward Hester. On December 27, 1948, Hester was arraigned on an information and plead not guilty. On November 18, 1950, over 2 years later, the case was brought on for trial and on that date, on the trial date, the attorney for Mr. Hester filed a motion to quash the information, and the prosecutor's office agreed that the motion was in order, and that went before the presiding judge and asked that the case be nol-prossed, and I appeared there, too, and objected to it being nol-prossed. It was the prosecutor's contention that we hadn't proven venue in the examination. I contended that we had and I told the court so. However, the judge said, "Well, I can't force the prosecutor to go ahead with the case, that he doesn't feel that he has a case."

The CHAIRMAN. In other words, Chief, after the indictment was allowed to lie dormant for approximately 2 years, when it came up last November, just 3 months ago, it was marked for trial and you went there expecting that it would be tried?

Mr. GUY. We did, with all of our witnesses.

The CHAIRMAN. A motion to quash was filed by the attorney for Hester?

Mr. GUY. Yes, sir.

The CHAIRMAN. Was any notice given to you in advance?

Mr. GUY. No, sir; I never knew.

The CHAIRMAN. Had you consulted with the prosecutor in his preparation for the case?

Mr. GUY. Just the telephone call.

The CHAIRMAN. Had there been any effort made by the prosecuting attorney to work up the case to get all the information that was in your possession so he would be able to present fully the facts and circumstances?

Mr. GUY. No, sir.

The CHAIRMAN. So that when the motion to quash was filed, the prosecutor agreed to enter a nolle pros?

Mr. GUY. He did on the prosecutor's own motion.

The CHAIRMAN. Which is, of course, a legal motion which wipes out the indictment in full as though it had never been brought?

Mr. GUY. It dismisses the case entirely.

The CHAIRMAN. Now, were you consulted by him before he entered the nolle pros or to get the Latin term, the nolle prosequi?

Mr. GUY. Yes, I was. I argued with him for 1 day to try to get it to go to trial and let the trial judge decide whether or not the examination——

The CHAIRMAN. Was any explanation given by him as to why he felt that it was impossible to proceed other than the question of venue?

Mr. GUY. That was the only question, the question of venue.

The CHAIRMAN. Did he explain why that question alone was brought up after 2 years, why he could not have found that out 2 years before?

Mr. GUY. He did not. As a matter of fact, they should have found it out when they filed the information, because they read the examination and based the information on the transcript of the examination.

The CHAIRMAN. Of course, the question of venue would apply to the jurisdictional right and could have been ascertained at the very outset?

Mr. GUY. It certainly could have.

Mr. BURLING. You are an attorney, yourself?

Mr. GUY. Yes, sir.

Mr. BURLING. Are you a member of the Michigan bar?

Mr. GUY. I am.

Mr. BURLING. Will you try to explain to me why there was not venue in this case? What was the technical aspect of it?

Mr. GUY. Apparently we hadn't said in our examination that this all happened in the city of Dearborn, county of Wayne, State of Michigan, United States, and so forth; but we had testified that it happened in the chief of police's office and in the city of Dearborn and had testified I was the chief of police, city of Dearborn, and I felt that was sufficient.

Mr. BURLING. Is there any doubt that the city of Dearborn is in the county of Wayne and State of Michigan?

Mr. GUY. I don't see how there could be.

Mr. BURLING. Did the prosecutor ask the court to take judicial notice of where the city of Dearborn is located?

Mr. GUY. He did not.

Mr. BURLING. That is all you know about the Hester bribery case?

Mr. GUY. Well, the day that was nolle prossed, I went out to the municipal court and obtained another warrant for him. It took us a week to 10 days to find him. We finally arrested him and brought him into the municipal court on January 3—no, about November 22—and another warrant was obtained about 10 days later. That would bring it into about December, and it was set for examination.

On the morning of the examination, Hester waived examination. Then he was automatically bound over to the circuit court for the county of Wayne for trial.

The municipal court of Dearborn filed its return on January 3, 1951. On January 19, 1951, an information was filed. On January 30, 1951, Hester's apparently was notified to appear to plead to the information, and at this time he comes in and asks that the case be remanded to our court for an examination, which it was. It was remanded back to the Dearborn court on January 30 for an examination, and I haven't heard when the examination is going to be or anything else.

The CHAIRMAN. You are just about where you started?

Mr. GUY. Back right where we started.

Mr. BURLING. Now, leaving these technicalities in the laws, such as where the city of Dearborn is, and just considering the facts, is it your opinion as a lawyer and as a chief of police that the factual evidence in this case makes it open and shut, that is, makes it an open and shut case?

Mr. GUY. I don't see how we could have a better case when the man behind the cabinet heard the entire conversation, saw the money, and the detectives came in immediately after—1, 2 seconds after he gave it to me. And I asked Hester, "Is this the money you gave me?" And he said, "Yes, it is."

The CHAIRMAN. Chief, it so happens, I had been a prosecuting attorney myself for 12 or 13 years in a city just about this size or next to it in order, and that certainly appears to have been an airtight case, and without of course attempting to state what should happen in a pending matter, it does appear that you did act very dutifully and very efficiently, and procured evidence which ought to stand up and which should require prosecution in a very important matter.

Mr. BURLING. Now, Chief, I want to ask you a few general questions about gambling. We realize this is a matter of opinion, and after all, you are in a position to hear a good many things. But, can you tell us anything of what you know, what impression you have formed about the prevalence of gambling in the Rouge plant?

Mr. GUY. Well, shortly after I became chief of police, a gentleman came to my office that worked in the foundry and he said that gambling was so prevalent down there no one was doing any work.

Mr. BURLING. You heard Mr. Walker testify, I believe?

Mr. GUY. I did.

Mr. BURLING. And you learned that we were interested in trying to get some approximation of the take-out in dollars. Have you ever endeavored to make an estimate of the annual take-out, or have you ever heard an estimate?

Mr. GUY. Well, Mr. Walker based in his statistics—he gave the basis that they bet something like 10 or 15 cents. It is true that now the betting has dropped. I would say that the average bet today is probably 25 cents or a little more. But in 1948, we picked up slips with \$1, \$2, \$3, and \$5 betting on numbers. There are very few under a dollar, as a matter of fact. We had several hundred of them.

The CHAIRMAN. That would indicate that the sum total of the betting was very, very much higher than even our estimates have gone?

Mr. GUY. That is right.

The CHAIRMAN. But would you say it would be fair to estimate it between 50 million and 100 million dollars?

Mr. GUY. I haven't actually figured it out, but I would say it would run into millions of dollars and millions of hours time lost in the plant.

Mr. BURLING. Is there any relationship, in your opinion—I don't in the least mean to attack the union, but it is a problem—between the UAW officials at the lower level in gambling?

Mr. GUY. Well, of course, when a man has a job like Hester had as committeeman, it affords him the opportunity of visiting with everyone. It certainly gives him an opportunity of going through the factory and he has no specific job to do.

Mr. BURLING. In other words, a committeeman can move around without having a supervisor or foreman watching what he is doing?

Mr. GUY. I would say so.

Mr. BURLING. So, he is free to go around and pick up or write numbers?

Mr. GUY. He is.

Mr. BURLING. And an ordinary worker can't go out through the gate except at shift time without a permit; is that right?

Mr. GUY. Well that was so years ago, but I think now that they all mill around in there just about as they please. It appears that way to me. It appears to me that they do.

Mr. BURLING. I mean go in and out the perimeter gate.

Mr. GUY. There are lots of men going in and out of there almost all hours of the day, not only at shift time, but all hours of the day.

Mr. BURLING. So there had been no trick to getting money out and the numbers out?

Mr. GUY. None whatsoever.

Mr. BURLING. Now, the committee has previously been told here and in other cities that numbers houses operate on a kind of hierarchy principle, that there is a private, the writer, and then the pick-up man, and then it goes up finally to some top man or group of men. Would you agree with that?

Mr. GUY. I would.

Mr. BURLING. And the committee has also been told that when the writers or pick-up men are arrested and given a fine, the top people pay the fine for them and regard that as a cost of operation. Would you agree with that?

Mr. GUY. They not only pay the fine, but they also have attorneys. The man when picked up doesn't even know who his attorney is. They send an attorney out there to take care of him and pay his fine and the man we pick up doesn't even know about it.

I would like to make this statement. When I first came on the police department the average fine was somewhere between \$25 and \$50. Now we have those fines up to all the way from \$100 to \$500, and we are trying to get our judges to put these men in jail, and then it will be a different story.

Mr. BURLING. Now, Chief, if we assume—I can't prove it because I don't know what Mr. Licavoli's business is, since he didn't feel like telling us—that Mr. Licavoli is at the top of either all the numbers houses here or one of the numbers houses, and he has got money enough to pay these fines, the writer or pick-up man doesn't much care whether he is arrested at all, does he?

Mr. GUY. Only now he is afraid of losing his job. But they usually get men who haven't been in trouble. If a man has been in trouble they probably wouldn't use him as a writer, or someone that is apt to be apprehended.

Mr. BURLING. Is it your opinion that if the privates in the operation and the sergeants in the operation got a penalty which would hurt them, that is to say a jail sentence, then maybe you could do something more effective?

Mr. GUY. I think gambling would stop in short order.

The CHAIRMAN. All right, Chief, we certainly want to take this occasion to say that you have impressed us as being a vigilant and a thorough, upright, and capable officer, and we think the community is fortunate in having a man of your kind and ability.



Mr. GUY. Thank you very much.

(Witness excused.)

The CHAIRMAN. Call Edward Hester.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. HESTER. I do.

### TESTIMONY OF EDWARD HESTER, DETROIT, MICH.

The CHAIRMAN. Will you state your name?

Mr. HESTER. Edward Hester.

The CHAIRMAN. Where do you live?

Mr. HESTER. 1511 St. Aubin.

The CHAIRMAN. How long have you lived there?

Mr. HESTER. For the last 15 years.

The CHAIRMAN. Where were you born?

Mr. HESTER. I was born in Durham, N. C.

The CHAIRMAN. How long have you lived in the State of Michigan?

Mr. HESTER. Since 1928.

The CHAIRMAN. What work have you been doing?

Mr. HESTER. I worked at the Ford Motor Car Co.

The CHAIRMAN. In what shop?

Mr. HESTER. The Rouge foundry, production foundry.

The CHAIRMAN. You may proceed.

Mr. BURLING. In the foundry?

Mr. HESTER. Yes.

Mr. BURLING. When did you go to work there?

Mr. HESTER. January 2, 1935.

Mr. BURLING. When did you become a committeeman with the union?

Mr. HESTER. Around 1943 or 1944.

Mr. BURLING. What unit was it?

Mr. HESTER. The production foundry unit.

Mr. BURLING. How many committeemen are there in the production foundry?

Mr. HESTER. Well, I would say at least 32 or 33 at the time I was out there.

Mr. BURLING. How long did you stay at the Rouge plant?

Mr. HESTER. I worked for the Rouge plant until 1949.

Mr. BURLING. Were you discharged at that time?

Mr. HESTER. No; I came out on a leave and my leave expired while I was absent.

Mr. BURLING. What are you doing now?

Mr. HESTER. I am not doing anything now; I am unemployed.

Mr. BURLING. You have been unemployed ever since you left Ford?

Mr. HESTER. Yes.

Mr. BURLING. Were you ever in the numbers business?

Mr. HESTER. I was in there once or twice.

Mr. BURLING. You mean you have written one or two slips or what?

Mr. HESTER. I picked up for a while.

Mr. BURLING. When did you first pick up?

Mr. HESTER. I guess I don't recall the date. I don't remember the exact date. It was around '46 or '47, something around there.

Mr. BURLING. How long did you keep picking up at that time?

Mr. HESTER. Not very long.

Mr. BURLING. Well, how long?

Mr. HESTER. About a month.

Mr. BURLING. About how much a day did you personally pick up?

Mr. HESTER. I don't recall the exact amount.

Mr. BURLING. Was it \$10 or \$50?

Mr. HESTER. About \$75 or \$80.

Mr. BURLING. What house were you picking up for?

Mr. HESTER. I don't know the house. I just met a fellow and gave him the slips.

Mr. BURLING. You picked up from writers?

Mr. HESTER. No, just mostly my own stuff.

Mr. BURLING. You wrote and picked up yourself?

Mr. HESTER. Mostly wrote my own stuff.

Mr. BURLING. You picked up from anybody else?

Mr. HESTER. No.

Mr. BURLING. Who did you turn the money over to?

Mr. HESTER. This fellow named Jack at that time.

Mr. BURLING. Jack who?

Mr. HESTER. I don't know his last name.

Mr. BURLING. He hasn't a last name?

Mr. HESTER. I don't know his last name.

Mr. BURLING. Where did you turn it over to him?

Mr. HESTER. I met him on the corner and gave it to him.

Mr. BURLING. On the corner of what?

Mr. HESTER. Usually it would be on any designated corner, maybe John R. and Brush.

Mr. BURLING. Outside of the plant?

Mr. HESTER. Yes. I didn't do any business in the plant at all.

Mr. BURLING. You didn't?

Mr. HESTER. No.

Mr. BURLING. When did you do this writing to get the \$75 or \$80 a day?

Mr. HESTER. That was out in the street.

Mr. BURLING. At the same time you were working in the plant?

Mr. HESTER. Yes.

Mr. BURLING. Are you sure you never picked up in the plant?

Mr. HESTER. I am pretty sure I never picked up anything in the plant.

Mr. BURLING. Mr. Chairman, I respectfully request the witness to be admonished with respect to perjury.

The CHAIRMAN. You realize, or course, that you are under oath and you have a right to refuse to answer any questions that may tend to incriminate you for certain offenses or an offense, but if you do answer you are required to answer truthfully. Do you understand that?

Mr. HESTER. Yes.

The CHAIRMAN. In other words, any false statement made under oath of a matter material to this investigation can be the basis for a charge against you for perjury if you answer untruthfully.

Mr. HESTER. Yes.

Mr. BURLING. One of the corners you picked up on was John R. and Brush?

Mr. HESTER. John R. and Brush.

Mr. BURLING. Is that one of the corners you picked up on? It is a simple question. Did you say that?

Mr. HESTER. I didn't mean John R. and Brush. I meant John R. or Brush. Both of those streets run one way.

Mr. BURLING. I was wondering if you managed to make parallel lines cross. Whether or not you picked up inside the foundry, in your capacity as a committeeman, you went around the foundry and saw what was going on there, is that right?

Mr. HESTER. Yes. I had knowledge what we had there.

Mr. BURLING. What can you tell us about the extent of gambling in the foundry?

Mr. HESTER. Well, I mean just like any other place or average shop.

Mr. BURLING. Will you tell us about it?

Mr. HESTER. Where you have a number of people employed, you have certain vices going on.

Mr. BURLING. That is what the committee wants to hear about. What is the extent of it?

Mr. HESTER. I couldn't place the exact figure because I had no common knowledge of the exact figure.

Mr. BURLING. What is the best guess on your part of the amount that was bet daily on the numbers in the foundry when you were there?

Mr. HESTER. I couldn't give you a definite answer on that because we would have to be getting the business to determine the amount of business that was coming out of there.

Mr. BURLING. You walked around and saw things?

Mr. HESTER. But I didn't see each individual bet. I know there was a wide range of betting in the shop but didn't know exactly the amount betted.

Mr. BURLING. I have never been to the foundry at all and I could give you a guess. What is your best estimate per day?

Mr. HESTER. I would say \$600 or \$700 a day at a guess.

Mr. BURLING. That is not what you told Mr. Amis or myself, is it?

Mr. HESTER. He asked me on a plant-wide basis if I could estimate the take out there.

Mr. BURLING. You estimated that the plant as a whole took in \$3,000 or \$4,000 a day.

Mr. HESTER. Yes.

Mr. BURLING. That is your best estimate.

Mr. HESTER. Yes.

Mr. BURLING. There are a lot of number writers in the foundry, are there not?

Mr. HESTER. I imagine there are.

Mr. BURLING. Did you ever leave an envelope for Lieutenant Mele or Meele?

Mr. HESTER. Not that I recall.

Mr. BURLING. Did you ever leave a \$100 bill in an envelope to be given to the lieutenant?

Mr. HESTER. I don't think I should answer that because, you know, I have a case pending against me in Dearborn at the present time.

Mr. BURLING. It is not a Federal offense to try to bribe a State officer.

Mr. HESTER. Whatever I say on that particular case may incriminate me.

Mr. BURLING. Not on a Federal offense.

Mr. HESTER. It will probably have a bearing on the outcome of that case which is still pending.

Mr. BURLING. It is not a Federal offense. I might say for the record, that it is perfectly clear you are guilty of that offense and you might as well come clean and tell us about it.

Mr. HESTER. I don't think I should. I pleaded innocent and the case is still pending.

Mr. BURLING. Your testimony against Chief Guy and three other detectives. When the money is available and you are quoted as committing it—saying that you gave the money to Chief Guy.

Mr. HESTER. I didn't admit anything.

Mr. BURLING. Well, go through that and tell us about your contact with Chief Guy at the Dearborn police.

Mr. HESTER. I was introduced to Chief Guy by Sergeant Mele.

Mr. BURLING. Is that the first time you met him? Why did you wish to see the chief?

Mr. HESTER. The chief told Mele to bring me to him.

Mr. BURLING. What did the chief say to you when you got there?

Mr. HESTER. It was going along the same line of questions that you are asking, the possibility of the numbers business in the plant.

Mr. BURLING. Did you not tell him that if you had the monopoly and that if he were to arrest everybody else writing out in the foundry, if you could have the monopoly, it would be worth \$2,000 to \$5,000 a month to him?

Mr. HESTER. I don't think I should answer that because that, too, will have a bearing on that particular case.

Mr. BURLING. If you do not answer, you will be in contempt of the United States Senate and then you will have two cases instead of one. You are in a predicament.

Mr. HESTER. Then I will have two cases against me. That will certainly have some effect on the case pending against me at the present time.

Mr. BURLING. The law is that you have the privilege not to answer a question which would tend to incriminate you of a Federal offense. Numbers writing is not a Federal offense.

Mr. HESTER. But I have a case here in the State of Michigan pending against me now and if I answer any questions pertaining to that case, it will certainly have some effect on that case.

Mr. BURLING. It perhaps would but that is not the law. The Supreme Court of the United States has held that the privilege against self-incrimination in a Federal inquiry does not cover a State offense. So, Mr. Chairman, I request the witness be ordered to answer the question.

The CHAIRMAN. You are directed to answer the question. Do you still refuse to answer the question on the grounds that it will tend to incriminate you?

Mr. HESTER. I think I should.

Mr. BURLING. You will not tell us about your conversation at all with Chief Guy?

Mr. HESTER. It would certainly have some effect on the case and outcome of the case. I can certainly see where if I have a jury trial and the jury reads my statement in—

Mr. BURLING. Excuse me, perhaps you will let us practice the law. There is a section of the Federal Code which provides that testimony given to either House of the Congress of the United States or to a committee or subcommittee thereof may not be used in a subsequent prosecution with the exception if it is not here relevant.

Mr. HESTER. It would certainly prejudice the case to some degree if it ever came before the jury.

Mr. BURLING. I have just told you that it cannot come before the jury. There is a section of the Federal Code that so provides.

Mr. HESTER. You asked me if I wanted to answer that question, Senator, and that is it.

The CHAIRMAN. That is why I directed you to answer the question. Do you still refuse to answer under those circumstances?

Mr. HESTER. I cannot get it clear.

The CHAIRMAN. Are you represented by counsel?

Mr. HESTER. No; I am not.

The CHAIRMAN. Who is your lawyer in the pending case?

Mr. HESTER. Harry Bockoff.

Mr. BURLING. Mr. Chairman, I suggest we put this witness off the stand with instructions to come back with counsel at 2 o'clock.

The CHAIRMAN. All right. Can you consult counsel in the meantime?

Mr. HESTER. I will call him and try to get in touch with him.

The CHAIRMAN. All right, we will call the next witness.

The CHAIRMAN. Saul Glazer, take the stand.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. GLAZER. I do.

### TESTIMONY OF SAUL A. GLAZER, DETROIT, MICH.

The CHAIRMAN. What is your full name?

Mr. GLAZER. Saul A. Glazer.

The CHAIRMAN. And your address?

Mr. GLAZER. 16150 LaSalle.

The CHAIRMAN. How long have you lived there?

Mr. GLAZER. About 8 months.

The CHAIRMAN. Where did you live before that?

Mr. GLAZER. 2294 Cortland.

The CHAIRMAN. How long have you lived in the city of Detroit?

Mr. GLAZER. About 22 years.

The CHAIRMAN. All right. Will you keep your voice up and talk out loud?

Mr. GLAZER. Yes, sir.

The CHAIRMAN. Counsel, will you proceed?

Mr. BURLING. Where do you work?

Mr. GLAZER. I work at the Ford Motor Co., Rouge plant.

Mr. BURLING. How long have you worked there?

Mr. GLAZER. Eighteen years.

Mr. BURLING. Were you at one time in the foundry?

Mr. GLAZER. I was, sir.

Mr. BURLING. Doing what?

Mr. GLAZER. I was elevator operator and a stock chaser during wartime.

Mr. BURLING. Have you had occasion to observe whether or not there is any gambling going on in the foundry?

Mr. GLAZER. I do so; very much so.

Mr. BURLING. Tell us briefly what the conditions were while you were working in the foundry.

Mr. GLAZER. Well, I was operating No. 3 elevator which is on No. 2 battery in the production foundry across from the superintendent's office. In that position I was able to see a number of things.

Mr. BURLING. Tell us. We are interested only in gambling.

Mr. GLAZER. That is what I am referring to.

Mr. BURLING. All right. Tell us.

Mr. GLAZER. Well, I don't know how to begin.

Mr. BURLING. Did you ever see anybody writing any numbers?

Mr. GLAZER. I did, sir.

Mr. BURLING. Where, for example.

Mr. GLAZER. On the fourth floor of the building. That was one of the pet avenues for these men to congregate.

Mr. BURLING. Can you tell us whereabouts?

Mr. GLAZER. Around behind the cupolas, and up in the penthouses over the elevators.

Mr. BURLING. Would you have occasion to see men writing numbers?

Mr. GLAZER. Definitely so.

Mr. BURLING. Did you have occasion to see money passed?

Mr. GLAZER. Definitely so.

Mr. BURLING. Would it be fair to say that numbers writing is virtually wide open in the foundry?

Mr. GLAZER. Very much so; yes, sir.

Mr. BURLING. Did you ever bring this to the attention of the personnel department?

Mr. GLAZER. I did, a number of times.

Mr. BURLING. And what happened?

Mr. GLAZER. Well, it was just that I was sent from one official to another and I tried to contact Mr. Bugas. After that failed, after several occasions—

Mr. BURLING. You didn't get to see Mr. Bugas?

Mr. GLAZER. No, sir.

Mr. BURLING. All right. What did you do then?

Mr. GLAZER. I started to send a telegram to Mr. Ford.

Mr. BURLING. To Henry Ford II?

Mr. GLAZER. Yes.

Mr. BURLING. What happened after that?

Mr. GLAZER. After I sent the telegram, about 2 weeks after that, I came into work and there was a slip on my time card, "Report to the employment office immediately." When I went to the employment office, I was immediately taken into Mr. Tom Sylvester's office, who is the personnel manager.

Mr. BURLING. Just give us the conclusion.

Mr. GLAZER. Well, he said to me—

Mr. BURLING. What happened? Give us the conclusion.

Mr. GLAZER. He said to me, "The next telegram, the next letter, or the next phone call that you send to anyone of the Ford family, you will be discharged immediately."

Mr. BURLING. What happened to you?

Mr. GLAZER. Well, I just——

Mr. BURLING. Did you go back to work?

Mr. GLAZER. I went back to work; yes.

Mr. BURLING. Were you subsequently removed from the foundry?

Mr. GLAZER. I was, sir.

Mr. BURLING. How did that come to pass?

Mr. GLAZER. I was taken to labor relations on an insubordination charge.

Mr. BURLING. About what?

Mr. GLAZER. Well, it was a frame-up; that I was insubordinate to my immediate foreman.

Mr. BURLING. Did that have anything to do with gambling, or your reporting the gambling activity?

Mr. GLAZER. Yes, sir; apparently so.

May I say one thing, sir; that is the second time I was discharged. There were two discharges, and I was reinstated each time.

Mr. BURLING. Are you now an employee in good standing at the Ford Motor Co.?

Mr. GLAZER. That I do not know, sir.

Mr. BURLING. I mean were you yesterday?

Mr. GLAZER. As of yesterday?

Mr. BURLING. Yes.

Mr. GLAZER. Well, I am working.

The CHAIRMAN. Thank you very much, Mr. Glazer.

(Witness excused.)

The CHAIRMAN. Russell Trilck.

Mr. GLAZER. May I say something, sir? I think it has a great bearing on the occasion.

The CHAIRMAN. Has it to do with Russell Trilck?

Mr. GLAZER. No.

The CHAIRMAN. Will you just stay there for a second, please.

Yesterday, this witness who had been summoned was called by name and failed to respond. It was then said that his name would be called again today, and that, in the event that he failed to put in an appearance, appropriate action would be taken. His name has been called. He fails to answer. The committee feels it incumbent upon it to report to the full committee this fact so that contempt proceedings would be considered.

Mr. BURLING. Mr. Chairman, so that the record may properly reflect the pertinency of the testimony of Mr. Trilck so as to establish the propriety of the service of his subpoena upon him, and we have the subpoena with the proper service in our file, I should like to read into the record my brief on Mr. Trilck so that the committee may know and the record show what we had expected to prove through Mr. Trilck.

Russell Trilck is an old-time numbers operator. He also operated the Club Top Hat at 11287 East Jefferson, River Rouge.

From information received, it will be noted that he has or had, I should say, a gross income in 1947 of \$612,000. His income was reported from the National Daily Bankers, which is the name of his numbers operation.

He has a criminal record and paid a fine of a thousand dollars September 1945. He is reputed to have built a home at 712 Buckingham in Lincoln Park, which is estimated to have cost \$100,000.

His partner in business is one Walter Halliberta for whom a subpoena was issued, but was not served. It is reported that Mr. Halliberta left for Florida, driving a 1950 Cadillac, license No. EL-5476, the day before an attempt was made to serve him with a subpoena.

The CHAIRMAN. You may proceed, Mr. Glazer.

Mr. GLAZER. When you asked me, sir, if I was working, I wish to state this at this time: That there was a lot involved. I was taken out of the foundry. In other words, against my will, I was taken out of the foundry. There were some company officials involved, in other words, and a communication has been shown to Mr. Amis—and also members of supervision are in this numbers racket, too. I mean, let's be fair about it. I gave that information over, and I wanted to bring that up as well, if I was given an opportunity, sir. There were three labor-relations officials. Two of them, I understand, are not with the company now, and one still is. So I had the communication that a labor-relations official in the foundry asked that I be reinstated with the stipulation in my reinstatement that I be placed in the plant outside of the foundry.

Mr. BURLING. What he has stated is substantially correct. I don't think it is relative to our inquiry, however. But it is correct. That is, Mr. Chairman, it is correct that this witness produced some documents. I don't mean the conclusion about the company is correct.

The CHAIRMAN. Very well. Thank you, Mr. Glazer.

Emil Mazey.

#### **FURTHER TESTIMONY OF EMIL MAZEY, SECRETARY-TREASURER, UAW-CIO, DETROIT, MICH.**

The CHAIRMAN. Mr. Mazey, you previously have been sworn and have given us the benefit of your knowledge on one particular phase of the operation. There are other facts that we would like to have from you, and it is noted that you have a statement, and we would be very glad to have you read it if that is your desire.

Mr. MAZEY. Yes; I would.

The union I represent consists of approximately 1,250,000 members organized in 1,650 local unions throughout the country. I speak here today with the full approval of our president, Walter P. Reuther, and the other officers of the union.

The leadership of our union has watched the work of your committee with great interest. We approve the objectives laid down for you by the Senate. We believe that you are performing a necessary public service; and we sincerely hope that your investigations of organized interstate gambling, gangsterism, and racketeering will result in effective remedial legislation.

We have a special interest in the hearings and investigations being conducted by your committee. We are hopeful that your committee may uncover evidence that will result in the solution of the attempt to assassinate our president, Walter P. Reuther, and our educational director, Victor Reuther, and the attempted bombing of our international headquarters.



We are hopeful that your committee may be able to expose the people responsible for the beatings administered to Ken Morris, the president of Local Union 212, the Briggs local, and other representatives of the union, including Arthur Vega, Roy Snowden, and Genora Dollinger.

We hope that your committee can also solve the beating of union representatives who were members of Local 835, UAW-CIO, employed at the Detroit Stove Works. Beatings of leaders of the Detroit Stove Works unit of Local 835 created such intimidation and coercion that it led to the dissolution of our union in that plant. I refer specifically to the beating of Sam Mazzola.

We confess to a feeling of deep bitterness against these gangster elements. During our first efforts to organize our union, we were continuously and forcibly attacked by organized gangs of hoodlums and criminals who repeatedly acted as musclemen against our people for the benefit of antiunion employers.

Mr. BURLING. May I interrupt you for a moment, please? It is not clear to me what employer or what union you are talking about right now.

Mr. MAZEY. I am talking about the UAW-CIO.

Mr. BURLING. Are you talking about the stove works?

Mr. MAZEY. No. I am speaking about the employers generally: Ford Motor Co., Briggs Manufacturing, stove works—

Mr. BURLING. Very well. You may continue, Mr. Mazey.

Mr. MAZEY. You will doubtless recall the vicious beatings given Walter Reuther and other union men at the Ford overpass in 1937. Gangster elements were identified among the assailants, who were employed by Harry Bennett, of the Ford Motor Co. It was only because I had been forcibly seized by four of the Ford servicemen thugs and thrown into jail that I missed being beaten myself at the time.

You may also recall that Reuther's home was invaded by similar thugs during the same period, and that it was only by extreme good fortune that he missed being killed.

These violent acts by organized criminals and hoodlums against the leadership of our union have not been solved by the law-enforcement agencies in our community. We believe that law-enforcement agencies were not really interested in solving some of the crimes committed against our union because they were being paid off by the organized rackets.

In the early days of our union another Senate committee—the La Follette committee—and the National Labor Relations Board threw considerable light upon the motives and connections of the union-smashing operations of these organized gangs. Because of these partial exposures and because of the shoulder-to-shoulder fight waged by our union members, this sort of danger was greatly reduced. But we believe firmly that criminal elements connected with gambling and other forms of racketeering are still used to this day in union-busting activities—even though on a reduced scale and in more limited areas.

There is no doubt that the racketeers believed then and believe now, that the union is a menace to them and their lucrative enterprises.

I have been requested to comment on inter-plant gambling. I wish to say that the officers and executive board members of our union are completely opposed to any form of organized gambling inside the plants. We are opposed to organized gambling because it robs the

members of our union of millions of hard-earned dollars annually. We are further opposed to inter-plant gambling because as long as it exists, there is always the possibility of corrupting the secondary leadership of our union which can lead to the weakening of our union, destruction of their moral fiber, and the deterioration of good relationships with management and the general public.

We are of the opinion that the organized gambling rackets in the plants can be cleaned up completely whenever management and law-enforcement agencies decide to tackle the problem honestly and aggressively. Gambling cannot exist in any plant without the knowledge and consent of some level of management.

Individual citizens are reluctant to cooperate with law-enforcement agencies in cleaning up gambling and racketeering because they do not have complete confidence in the integrity and honesty of public officials.

A few years ago, the mayor of Detroit, the prosecutor and the sheriff of Wayne County, the superintendent of police in Detroit and numerous other public officials were convicted of receiving payoffs from the numbers racket.

It is understandable why the average citizens hesitates to bring law violations to the attention of law-enforcement agencies. I ask this committee to imagine what would have happened to any union official or any other citizen, back in 1938 or 1939 should he have gone to public officials with the evidence of gambling that he had uncovered. If he had appealed to Mayor Reading of Detroit, to Prosecutor Duncan McCrea and Sheriff Wilcox of Wayne County, or Superintendent of Police Fromm, or any number of other high-placed police officers at that time. In all probability, the union officer or any other citizen who presented conclusive evidence to public officials at that time, would not have lived long enough to see the outcome of his charges.

We believe that the majority of law-enforcement officers are honest and uncorruptable men. Nevertheless, the suspicion still exists and will continue to do so as long as powerful criminal gangs continue to spread so brazenly and continue to occupy mansions in Grosse Pointe.

Because of proven corruption of elected governmental officials and police officials which has made the average citizen afraid to cooperate in cleaning up organized crime, we believe that your committee should recommend to Congress the passage of necessary Federal legislation that will enable Federal authorities to prosecute the violators of gambling laws both inside and outside the plants that local law-enforcement agencies have demonstrated their unwillingness or inability to cope with.

The UAW-CIO pledges its wholehearted and full cooperation in every way to help eliminate the parasites who create cancerous sores of gambling and racketeering in our plants and in our community. We have seen public officials corrupted. We want to do everything we can to make certain that criminal elements do not corrupt union officials.

We have a clean, democratic, progressive union, dedicated to the improvement of the lives of men and women who work for a living. We will not and cannot stand idly by and allow any elements in our society to weaken our union and prevent it from carrying on this vital work.

I would be willing to answer any questions that the committee would like to ask me.

Mr. BURLING. Can you be somewhat more specific, Mr. Mazey? For example, what do you think can be done to cut down in-plant gambling?

Mr. MAZEY. Well, to begin with, the job of policing gambling inside the job in our opinion is a job of management. Management disciplines workers for violations of shop and company rules, and it is their prime responsibility to police gambling inside the plants. If they do so—

Mr. BURLING. May I interrupt? The picture we get is that management says they cannot do it because they can't discipline gamblers because of grievance proceedings brought by the union. The union says they cannot stop gambling because it is management's responsibility. To some extent, the ball is being passed back and forth, it seems to me.

Mr. MAZEY. We will see if we can get ahold of the ball and put it where it belongs.

To begin with, if a worker is charged with gambling in the shop, and there is conclusive proof that he is guilty, the union will not prosecute his grievance. On the other hand, if there is some question as to his guilt—it may be an aggressive union man that the company charged with gambling for the purpose of getting him out of the way—well, a case of that type would go through the grievance procedure and we would deal with that grievance based on the facts. If the facts were proven, we wouldn't stand in the way of that worker being discharged.

Mr. BURLING. Let us take a particular case. I am entirely satisfied and I am sure that the chairman is, that the top level of the UAW feels genuinely and deeply, just as you have stated.

On the other hand, we had here today, just a moment ago, a former committeeman of local 600, who wouldn't tell us about his own activities for fear of being incriminated, on a numbers charge, and we heard other testimony that he would go to the defense of persons charged with gambling. He is, obviously, a gambler himself. He admitted he wrote numbers outside the plant.

Mr. MAZEY. On the question of Hester, I would like to say that we elect our officers and our committeemen on a democratic basis by secret ballot. It is possible in the processes of democracy for people to be elected to office who are not fit. We don't have the power to appoint any of our officials.

I want to say at the same time that I heard Mr. Walker testify this morning. The Ford Motor Co. top officials have never, on a single occasion, brought to the top officers of our union any problems relating to gambling inside the shop. In the event the company had information that people on the local level, either on a committee level, or local union level, were harboring and protecting gangsters, they could always come to the officials of the union and bring this matter to our attention.

Mr. Bugas, who is labor relations director of the Ford Motor Co., has on no occasion brought this matter to the attention of either Mr. Reuther or myself.

The CHAIRMAN. Thank you, Mr. Mazey.  
(Witness excused.)

The CHAIRMAN. At this juncture, there will be placed in the record a statement explanatory of the connection of the office of Senator Capehart, a telegram in respect to the Frank Cammarata case. It was mentioned yesterday that there had been a telegram received from someone in his office and the statement of facts have been communicated to us and we would at this time desire to make that a part of the record with copies available to the press.

(The documents identified were thereupon received in evidence as exhibit No. 17; the explanatory statement is as follows:)

The CHAIRMAN. It reads as follows:

With respect to the telegram from Mr. Donaldson, Senator Capehart's administrative assistant, to Frank Cammarata, that was admitted into the record yesterday, we have been in touch with Senator Capehart's office in Washington and have obtained the following additional facts:

Shortly before the telegram was sent, a letter was received in the Senator's office from Joseph W. Louisell, an attorney practicing here in Detroit with offices in the Penobscot Building. Senator Capehart had had no previous acquaintance with either Louisell or Cammarata and neither man had ever been in the Senator's office. Louisell's letter asked that the Senator's office make a check on the status of Cammarata's application for a stay of deportation proceedings and that Cammarata be advised.

Following the customary procedure where such letters are received in senatorial offices—and I can speak with some authority on this point—a routine inquiry was made of the Immigration and Naturalization Service by Mr. Donaldson; he ascertained the facts as set forth in the telegram and sent the wire in question to Cammarata and a duplicate to Mr. Louisell.

Neither the Senator nor anyone in his office ever took any affirmative action in connection with Cammarata's application for stay of deportation or in connection with any proposed legislation affecting Cammarata. As a matter of fact, Senator Capehart said that until we asked him about the telegram yesterday, he had no idea who Cammarata was or why he was trying to get a stay of deportation. The only thing his office ever did in connection with Cammarata was to comply with a routine request from an apparently reputable lawyer for information respecting a Government matter.

I will now call William Scott Stewart.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God.

Mr. STEWART. I do.

### TESTIMONY OF WILLIAM SCOTT STEWART, ATTORNEY, DETROIT, MICH.

The CHAIRMAN. I might, in advance of the beginning of testimony, indicate that it is expected by the committee that a portion of the interrogation will be in public session, and a portion will be in executive session.

Now, will you kindly give your full name, please?

Mr. STEWART. My name is Stewart; William Scott Stewart.

The CHAIRMAN. Mr. Stewart, are you a member of the bar?

Mr. STEWART. Yes.

The CHAIRMAN. For how long have you been practicing?

Mr. STEWART. Since 1911.

The CHAIRMAN. Counsel, will you proceed?

Mr. BURLING. Are you in active process, Mr. Stewart?

Mr. STEWART. Well, yes. I find as I get older, I have fewer and fewer cases.

Mr. BURLING. We are not going to ask you anything which would invade the lawyer-client privileges, but you appeared in the Supreme Court last fall, is that correct?

Mr. STEWART. That is right.

Mr. BURLING. Will you name the clients? That is a matter of record anyhow.

Mr. STEWART. I represented Louis Campagna and Charlie Gioe in the Supreme Court of the United States.

Mr. BURLING. Of the United States?

Mr. STEWART. Yes.

Mr. BURLING. That matter, briefly, related to a parole matter?

Mr. STEWART. That is right.

Mr. BURLING. They were convicted in 1943 of a violation of the Antiracketeering Act?

Mr. STEWART. That is right; in New York, I represented them in the United States court of appeals in New York and I also tried unsuccessfully to get into the Supreme Court.

Mr. BURLING. I see.

Now, what the committee wants to know in this open hearing, is why you did not respond to communications from the committee?

Mr. STEWART. Well, what communications do you refer to?

Mr. BURLING. Well, on November 13, the record shows that Mr. Rudolph Halley, the chief counsel in Washington, instructed Mr. George Robinson, then associate counsel in charge of the Chicago Office, to get in touch with you and he tried repeatedly to get you by phone and was unable to. Can you explain that?

Mr. STEWART. Well, I can't explain his inability. I can tell you my situation. I mean what I do. I go down to Florida in the winter and I go as long as my practice will permit me to go.

Mr. BURLING. Is it your custom to leave no forwarding address?

Mr. STEWART. That is right. That is the result of trial and error. I used to go down there and leave my address and number and have my mail sent. I found myself spending a great deal of my time taking care of my mail and answering phone calls, so I had decided recently—and I have been doing this for 2 or 3 years now—I just leave them keep everything there and when I got back I found a couple of bushels of mail and most of it has taken care of itself by the time I get back.

Mr. BURLING. You found that a good way to practice law?

Mr. STEWART. That is right. It is all right with me. There are probably very few lawyers that can do just that, but I find I can do it.

Mr. BURLING. You have a telephone answering service, is that correct?

Mr. STEWART. That is right. I have a —

Mr. BURLING. Please answer the questions.

Mr. STEWART. Yes.

Mr. BURLING. You are an extremely experienced lawyer.

Mr. STEWART. That is right.

Mr. BURLING. A trial lawyer?

Mr. STEWART. That is right.

Mr. BURLING. Far more than I am.

Mr. STEWART. They say that lawyers make poor witnesses.

Mr. BURLING. So you know how to answer the questions?

Mr. STEWART. O. K.

Mr. BURLING. You do not give your telephone answering service your home phone?

Mr. STEWART. That is right.

Mr. BURLING. And when you go away, you don't tell the answering service how to get in touch with you?

Mr. STEWART. That is right.

Mr. BURLING. And you don't leave any forwarding address for mail?

Mr. STEWART. That is right. I leave the mail wait until I get back.

Mr. BURLING. So that it might be 3 months before somebody wanted to communicate with you and could do so?

Mr. STEWART. That is not entirely true. The people I want to communicate with me, they know where to find me.

Mr. BURLING. I suppose that doesn't include the Kefauver committee.

Mr. STEWART. You can draw your own inference about that.

Mr. BURLING. I would like to read into the record something which will show our inference. This is a letter registered, return receipt requested, written on December 13, 1950, by Mr. Rudolph Halley, which was returned to the committee. It is addressed "Mr. William Scott Stewart, room 1601, 77 West Washington Street, Chicago, Ill."

The CHAIRMAN. I do think, in fairness to the witness who has not seen the letter addressed to him, he ought to see it first.

Mr. STEWART. You can read it. It wouldn't hurt me to read it.

The CHAIRMAN. I did not want it read until you have seen it.

Mr. STEWART. There is nothing I can do about it. I will hear it when he reads it.

The CHAIRMAN. I wanted to accord you the privilege of seeing it.

Mr. STEWART. I am not claiming any privileges.

Mr. BURLING. By the way, that is the correct address for your office?

Mr. STEWART. That is right. That is for my office. I have been there since the building was built; that is, some 25 years.

Mr. BURLING. You were not there in December 1950?

Mr. STEWART. That is true. I was down in Florida.

Mr. BURLING. It reads:

About a month ago a matter came to the attention of this committee which the committee desired to discuss with you. I therefore instructed Mr. George Robinson, associate counsel to the committee, who is assigned to Chicago, to communicate with you. He has reported to me that he has tried on numerous occasions to reach you by telephone but has been unsuccessful and that you have omitted to comply with his request, left with your telephone-answering service, to call him back.

On December 11 I myself placed a long-distance call to you and received the report that your whereabouts were unknown. I then dispatched a telegram to you which was today returned to me with the information that you were out of the city indefinitely and that your present address is unobtainable. Upon receipt of this information, I telephoned to your office and spoke to Mrs. Aubria McKee, who states that she is a public stenographer who operates a telephone-answering service and who answers your telephones. She informs me that you were in touch with her about 2 weeks ago and that she believes that you were in your office as recently as December 4, but that she has no idea of your present whereabouts or of your home address.

I must say to you, in all fairness, that I consider this situation most extraordinary. I have never before heard of the total disappearance of a well-known lawyer. Indeed, the circumstances are such that the inference is very nearly compelling that you are hiding from this committee. I assure you that the com-

mittee and its staff earnestly desire to show you every professional courtesy. It is our desire to have a discussion with you in complete confidence. If you persist in ignoring the entirely courteous requests which we have been making for the past month that you telephone to the committee's associate counsel in Chicago, the committee will have no recourse but to publish the fact that it has issued a subpoena calling for your appearance before it and to request the appropriate process services and police officers to look for you. In order to avoid this distressing eventuality, I most earnestly urge that you telephone to me forthwith. I shall, myself, be in Chicago starting on December 14, for a period of about a week.

Sincerely,

RUDOLPH HALLEY, *Chief Counsel.*

Now, were you in Chicago around December 4?

Mr. STEWART. I don't remember the date. I didn't get that letter; I know that.

Mr. BURLING. But your telephone-answering service says that around December 4 you were in your office and in touch with your answering service.

Mr. STEWART. Oh, I called them once in a while. I can't give you dates.

Mr. BURLING. Did Mrs. McKee tell you that a representative of the Senate committee wished to communicate with you?

Mr. STEWART. She hands me a batch of—

Mr. BURLING. Can you answer the question "Yes" or "No"?

Mr. STEWART. She didn't tell me that.

Mr. BURLING. You deny that?

Mr. STEWART. I don't deny anything. She just didn't tell me that.

Mr. BURLING. You deny that she did tell you?

Mr. STEWART. I don't deny she told me. I mean, why fence with me. She hands me a batch of messages, and I was there for a short time and I left; and I did make a little inquiry later on and tried to determine what it was that somebody wanted to ask me about.

Mr. BURLING. What steps did you take?

Mr. STEWART. I inquired of my clients, and I represent Paul Delucia, and he said that at the request of one of the attorneys, either Mr. Robinson or Mr. Halley, they wanted to see some witnesses concerning a wedding. You'd have to have some little background about that.

Mr. BURLING. I know about that wedding.

Mr. STEWART. You know about it? Well, one of the things is that they claim he violated parole and that concerned his daughter's wedding. So, at his request, certain people went in who were guests at the wedding to see the attorneys for the committee. Now, some of those people told what they knew and answered questions, and then I understand they ran into some people who wouldn't answer. I understand Mr. Halley or Mr. Robinson thought if he could get in touch with me I would tell them to answer—they would answer.

Now, I understood that is what Mr.—those folks wanted.

Mr. BURLING. You knew back in December that Mr. Halley and Mr. Robinson wished to talk to you in their official capacity as counsel for the committee of the United States Senate; is that right?

Mr. STEWART. That isn't true. I didn't know that until—I didn't know that.

Mr. BURLING. Did you not just say that?

Mr. STEWART. No; I heard that they had called up over at the office service.

Mr. BURLING. They wanted to speak to you?

Mr. STEWART. They didn't leave any word to call them back that I know of.

Mr. BURLING. Do you not know they had big offices in the Federal Building of Chicago?

Mr. STEWART. I know they had offices.

Mr. BURLING. And you could have got in touch very simply if you wanted to?

Mr. STEWART. No question about that.

Mr. BURLING. You just did not feel like it?

Mr. STEWART. That isn't true.

Mr. BURLING. Well, you just said, Mr. Stewart, that you knew that Halley and Robinson wanted to talk to you.

Mr. STEWART. I knew long after the event and, as far as I knew, the occasion had passed by. I appeared there, and it was published in the papers I was before Judge Igold; the marshals are there and everybody is there. It isn't difficult to find me when I am in Chicago. They could call me. What of it? What are you getting at?

The CHAIRMAN. I do not think any proofs will be served by argument. As I indicated before, as to another phase of the matter, the committee has deemed it advisable to have the hearing in executive session. We therefore will retire to the chambers in executive session and would ask counsel to—

Mr. STEWART. If I have any choice in the matter, I'd rather answer your questions here.

The CHAIRMAN. It is a matter about which the committee feels preferable to have in executive session. We will then recess for lunch.

Mr. STEWART. Would you listen to my objection to that method of proceeding?

The CHAIRMAN. We would be very glad to.

Mr. STEWART. Well, in that way, why, the committee gives out what they choose to give out in their way, and I'd rather have the newspaper people and the public listen to the way I say it.

The CHAIRMAN. Well, we have heard your suggestion and I might say that I think you are entitled certainly to see it before it is given out.

Mr. STEWART. I wouldn't have any objection to giving out everything I say.

The CHAIRMAN. We will now take a recess until 2 o'clock, which will be after the executive session.

(Whereupon, a recess was taken until 2 p. m.)

#### AFTERNOON SESSION

The CHAIRMAN. The hearing will please come to order.  
I call to the stand Walter Hancock.

#### FURTHER TESTIMONY OF WALTER HANCOCK, LINCOLN PARK, MICH.

The CHAIRMAN. You are Walter Hancock?

Mr. HANCOCK. Yes, sir.

The CHAIRMAN. Mr. Hancock, you previously have been sworn, so it is unnecessary to administer the oath again; and we, of course, recognize the fact that you are still testifying under oath.

Mr. HANCOCK. Yes, sir.



The CHAIRMAN. As you did yesterday.

Mr. HANCOCK. Yes, sir.

The CHAIRMAN. Counsel will propound questions to you.

Mr. BURLING. Mr. Hancock, I am sorry that we had to ask you to come back. I apologize. It is my fault. I forgot to ask you one or two questions that became pertinent later. But, to refresh your recollection, just to put us back on the track, there came a time in 1931 when Mr. Bennett called you and told you to get hold of D'Anna; is that right?

Mr. HANCOCK. That's right.

Mr. BURLING. And then you took Tony out to Mr. Bennett's office?

Mr. HANCOCK. That's right.

Mr. BURLING. When did you next see Mr. Bennett?

Mr. HANCOCK. A couple of weeks, I guess.

The CHAIRMAN. Keep your voice up.

Mr. BURLING. And, when you saw this man a couple of weeks after the time you took Tony to see him, what conversation did you have with Mr. Bennett?

Mr. HANCOCK. Well, it was something not pertaining to the automobile deal—is that what you mean? I did ask him, though, "Is Tony going to get that leadership?" He says, "I think him and Pardo."

Mr. BURLING. He said, "I think him and Pardo."

Mr. HANCOCK. That's right.

Mr. BURLING. Did he say anything about the name of the agency, what name the agency was to be under?

Mr. HANCOCK. No; he didn't.

Mr. BURLING. Perhaps I can refresh your recollection. Did he say anything to the effect that he wanted it to be in Pardo's name because that would be a good name for the agency?

Mr. HANCOCK. No; he didn't say that, Mr. Burling.

Mr. BURLING. Did Pardo ever say that to you?

Mr. HANCOCK. No, sir.

The CHAIRMAN. Did he ever have any explanation whatsoever as to why one would be named or omitted to be named?

Mr. HANCOCK. No. We just had, you might say, three or four words, that's about all.

Mr. BURLING. Did he say he was going to give it to Pardo and D'Anna?

Mr. HANCOCK. No. If I remember right, the words he used were, "I think Pardo and D'Anna will get it."

The CHAIRMAN. You are very clear, Mr. Hancock, on the point that he, Mr. Bennett, used Pardo's name as being one of those to get in with D'Anna?

Mr. HANCOCK. That's right.

The CHAIRMAN. Where was the conversation held?

Mr. HANCOCK. In the administration garage.

The CHAIRMAN. Of what?

Mr. HANCOCK. Ford Motor Co.

The CHAIRMAN. Of the Ford Motor Co.?

Mr. HANCOCK. That's right.

The CHAIRMAN. That is all, Mr. Hancock. Thank you.

(Witness excused.)

**FURTHER TESTIMONY OF EDWARD HESTER, DETROIT, MICH.,  
ACCOMPANIED BY HARRY ROBERT BOCKOFF, ATTORNEY**

The CHAIRMAN. Edward Hester.

You are Edward Hester?

Mr. HESTER. Yes.

The CHAIRMAN. And you previously have been sworn?

Mr. HESTER. Yes; I have.

The CHAIRMAN. So that you understand that any testimony you may give is given under the oath which was administered to you this morning?

Mr. HESTER. Yes.

The CHAIRMAN. Now, when you were here this morning, you were not represented by counsel, and certain questions were asked of you, and you refrained from answering them; is that not correct?

Mr. HESTER. That is true.

The CHAIRMAN. Thereupon, it was suggested that you might seek the advice of counsel prior to your coming back this afternoon; is that correct?

Mr. HESTER. Well, I had the understanding when I left here that I was supposed to bring my counsel back.

The CHAIRMAN. That is right, either to bring him back or to talk with him, that is correct, and you did come back and you are accompanied by counsel?

Mr. HESTER. Yes.

The CHAIRMAN. Would you be good enough to identify yourself, please.

Mr. BOCKOFF. My name is Harry Robert Bockoff. I am admitted to the bar of the State of Michigan, and I practice in Wayne County.

The CHAIRMAN. And your office is located where?

Mr. BOCKOFF. My office is located at 2046 National Bank Building. I have been practicing in Detroit since 1929.

The CHAIRMAN. Than you, Mr. Bockoff. You may sit with your client, if you wish.

Now, counsel, will you proceed.

Mr. BURLING. Mr. Hester, because you were not represented by counsel this morning, the chairman has decided that we will regard the testimony given this morning as of no effect and we will start over again with you and we will just disregard the kind of testimony you gave this morning and take this as your testimony since you are now represented.

Mr. BOCKOFF. May I indulge in a statement?

The CHAIRMAN. Yes.

Mr. BOCKOFF. The only point I am primarily and particularly interested in is the answer to a question as to whether or not the witness here on a particular date did offer to the chief of police of the city of Dearborn a certain sum of money in the form of a bribe.

The CHAIRMAN. It was with reference to that particular matter that we suspended the further interrogation of this witness this morning.

Mr. BOCKOFF. Mr. Hester advised me of that situation and has asked me to come over here in his behalf. I would like to inform the committee, and I think the committee is aware of the fact that there is now pending in the circuit court for Wayne County a case against

Mr. Hester involving this particular fact, this particular charge, and it is my judgment—I hope I am not in error—but I have advised Mr. Hester that in view of the pending criminal action now against him, that he avail himself of his constitutional immunities and privileges as to that question and refuse to answer.

The CHAIRMAN. Now, Counsel, I might just make this observation. With reference to other matters that were not directly related to this particular point to which you have addressed yourself, we do consider that the previous testimony is in and will remain in.

Mr. BOCKOFF. I have no regard or interest in that testimony at all.

The CHAIRMAN. All right. Now, with reference to that particular phase of the matter, we will now give consideration and Mr. Burling will propound a question or two to ascertain just what the situation will be.

Mr. BURLING. I would like to ask Mr. Bockoff one or two questions. I understand that this is a State offense that Mr. Hester is charged with.

Mr. BOCKOFF. He is charged with committing a violation of a statutory act.

Mr. BURLING. It is a State offense?

Mr. BOCKOFF. That is correct.

Mr. BURLING. Is he charged with any Federal offense?

Mr. BOCKOFF. Not at the present time nor that I know of.

Mr. BURLING. Are you aware of any Federal law against numbers?

Mr. BOCKOFF. No; I don't know of any Federal law against numbers.

Mr. BURLING. Are you aware of any Federal law making it unlawful to offer a bribe to a city police officer?

Mr. BOCKOFF. No; I know of no Federal law like that. I don't think there is a Federal law like that.

Mr. BURLING. Are you familiar with the numerous cases in the Supreme Court of the United States that has held that in a Federal forum, the fifth amendment which gives the witness a privilege against incriminating himself applies solely to Federal offenses? Have you read those cases, sir?

Mr. BOCKOFF. In my judgment, in a matter of law and in a matter of common sense a man stands before this investigating committee here—

Mr. BURLING. I wonder if you would answer my question. Have you read the cases?

Mr. BOCKOFF. Not all of them, perhaps some.

Mr. BURLING. Are you of the opinion that the Supreme Court is wrong?

Mr. BOCKOFF. I will reserve my opinion as to what I think.

Mr. BURLING. Will you agree with me that the Supreme Court of the United States has held that the right against self-incrimination applies only to Federal offenses?

Mr. BOCKOFF. I can't agree with you. I suppose there have been briefs filed pro and con on that particular point.

Mr. BURLING. But the briefs were in cases that were then decided by the Supreme Court. Don't you know what the Supreme Court held on the point?

Mr. BOCKOFF. You undoubtedly have specialized in that particular subject because of this particular investigation. On the other hand, I might say this broadly: In my judgment, the Constitution has

granted to persons certain immunities, one of them is the privilege that a person may not testify against himself or be required to. That is in the broad sense. I have advised Mr. Hester in the broad sense that if there is a Constitution to protect him and he requires that protection to avail himself of it.

Mr. BURLING. I want to say to you, sir, that before you give a client advice in a matter as important as this, you should particularly consult the authorities and it is most extraordinary for a lawyer to say a series of cases decided by the Supreme Court of the United States are not binding.

Mr. Chairman, it is the advice of counsel that as a matter of law, there is no such privilege. Of course, the question of discretion is with the Chair.

The CHAIRMAN. Counsel, are you also aware of the Federal statute which protects a witness in a Federal proceeding who has been interrogated with regard to a matter such as this and concerning with which he might be required to testify as in our judgment he would be required to testify in this proceeding in connection with a purely State offense? That is to say, if he were required to answer, that testimony cannot subsequently be used against him.

Mr. BOCKOFF. On the other hand, Mr. Chairman, I am well aware that although testimony cannot be used against him, should any witness before this committee state that they have committed an offense, there is nothing to prevent any law enforcing agency here or any layman or any witness to swear out a complaint or warrant in the State court against any witness who admits committing an offense.

The CHAIRMAN. Yes. But the only thing that has been adduced here is the admission, if such it be, of a witness and that particular admission cannot be used against him so that he does not suffer as a result of being required to answer that question.

Mr. BOCKOFF. May I make a further statement?

The CHAIRMAN. Yes, proceed.

Mr. BOCKOFF. Purely and simply the situation is this: The theory of Mr. Hester's offense—and I think it is an adequate defense under the law of Michigan—is that this particular crime of which he is charged, that of bribery, was induced by the complainant. He was trapped by a series of preceding events to commit this particular act. That is an adequate defense under the laws of the State of Michigan. However, I have advised and I trust my judgment is correct, and it is nevertheless my opinion and my studied advice to Mr. Hester on that one question—

The CHAIRMAN. Mr. Bockoff, if you feel there is adequate defense of entrapment, do you still hold and advise your client not to testify?

Mr. BOCKOFF. The situation may be this, Mr. Chairman: I have an election to make at the time of this man's trial as to whether he will or not take the stand in his own behalf. Factually, he may wish to make the statement that in his opinion he did not commit this offense which would be the act of committing the offense.

However, should he inform this committee that he committed the act with which he is charged, I am afraid he is definitely placing himself in a position of great jeopardy in the subsequent proceeding.

The CHAIRMAN. Well, in just stepping aside from that for a moment, are there any other matters that you feel the witness should refuse to testify to?

Mr. BOCKOFF. I know of none, Mr. O'Connor.

The CHAIRMAN. Are there any other matters, counsel, that you desire to ask him other than that with reference to the specific act concerning Chief Guy?

Mr. BURLING. No, Mr. Chairman. I would like to comment that counsel has said he gave a studied opinion. I would say that his study could not have included the opinions of the Supreme Court which are contrary to his view.

Mr. BOCKOFF. Well, that is your opinion to which you have a right to adhere, and this is mine.

The CHAIRMAN. Of course, the witness has made other statements this morning concerning other matters not related to this specific instance. However, we feel that it would be undoubtedly misunderstood if a witness who was under a pending indictment was brought here by compulsory process and then interrogated with particular reference to that matter, and required to give evidence which in the opinion of this counsel might jeopardize his rights in that proceeding.

However, our counsel, Mr. Burling, has stated the law correctly as we view it. His explanation of the Federal statutes and of the decisions of the Supreme Court is in exact accordance with our own. Nevertheless, there is a discretion in the committee either to pursue or to refrain at this juncture from pursuing a particular line of inquiry.

Mr. BOCKOFF. May I say that it is neither the desire of Mr. Hester nor myself to be in contemptuous conduct with this committee. Mr. Hester has come here voluntarily. He had not consulted me—and yet he desires my presence—until late this forenoon, and I am only interested, as I have stated, in the one subject.

We are not attempting to coerce, or hinder the investigation of the committee. I am only interested in protecting Mr. Hester in this one particular instance.

The CHAIRMAN. Well, we feel that there has been given to the committee very impressive testimony by Chief Guy, which was stated in a most straightforward manner, and which is of such a nature that we feel that we are satisfied as to the accuracy of it. That being so, we are fully informed as to this particular incident up to this time, although we felt it only fair and proper to give Mr. Hester his opportunity to deny it, if he desired to avail himself of that opportunity.

Now, he does not desire to avail himself of this opportunity, so the committee can draw its own conclusion and, certainly, in the light of uncontradicted testimony of Chief Guy, we have our record before us and for our further guidance, because as I said before, the committee has a discretion in the matter, as to whether to pursue this further. We do not think it is necessary to pursue it further in view of this, Chief Guy's uncontradicted testimony. For that reason, we will not have the question pressed further.

Mr. BOCKOFF. May we be excused?

The CHAIRMAN. Yes, indeed.

(Witness excused.)

The CHAIRMAN. Mike Rubino.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RUBINO. I do.

## TESTIMONY OF MIKE RUBINO, DETROIT, MICH.

The CHAIRMAN. What is your full name?

Mr. RUBINO. Mike Rubino.

The CHAIRMAN. And your address?

Mr. RUBINO. 1068 Bedford.

The CHAIRMAN. How long have you lived at that address?

Mr. RUBINO. About 6 years.

The CHAIRMAN. How long have you lived in the city?

Mr. RUBINO. I was born here.

The CHAIRMAN. Counsel may proceed.

Mr. BURLING. What is your business, Mr. Rubino?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. Do you have any grounds for refusing to answer?

Mr. RUBINO. It might incriminate me.

Mr. BURLING. Are you aware that the numbers racket is not a Federal offense?

Mr. RUBINO. I don't know what you are talking about.

Mr. BURLING. I am not talking whether you are in the numbers racket, but are you aware that being in the numbers racket is not a Federal offense?

Mr. RUBINO. I don't know what you are talking about.

Mr. BURLING. You never heard of the numbers racket?

Mr. RUBINO. I heard of it; yes.

The CHAIRMAN. You do not know anything about it?

Mr. RUBINO. No, sir.

Mr. BURLING. At any rate, you have a long criminal record, do you not?

Mr. RUBINO. Yes.

Mr. BURLING. In 1927 your offense is S. L. In 1930, assault with intent to kill. These are all alleged, and I do not mean to imply that you were convicted for each one of them. You didn't go to Leavenworth until 1933, when you got 7 years for counterfeiting.

In 1930, robbery, armed. In 1930, interference. In 1930, witness to a shooting. In 1931, disorderly person. In 1931, disorderly person. In 1933, investigation. In 1933, violation of United States Code. In 1933, counterfeiting. You were sent away for 7 years on that, were you not?

Mr. RUBINO. Yes.

Mr. BURLING. In 1933, violation of the United States Code. In 1933, public enemy. Were you arrested on the charge of being a public enemy?

Mr. RUBINO. It must be if it is there.

Mr. BURLING. There are several transfers that appear here, and then we come to 1939, when you were investigated UDAA. In 1941, for narcotics. Were you ever arrested on a narcotics charge?

Mr. RUBINO. I don't remember.

Mr. BURLING. You don't remember?

Mr. RUBINO. No.

Mr. BURLING. How was it possible that you could be arrested for narcotics charges and not remember?

Mr. RUBINO. I wasn't arrested for narcotics.

Mr. BURLING. You were.

Mr. RUBINO. No, sir.

Mr. BURLING. If the police record says you were, then it is wrong?

United States marshal, Detroit, Mich., Mike Rubino, No. 11842, January 14, 1941.

I didn't see this. You went away for it, did you not?

Mr. RUBINO. Conspiracy, but not narcotics.

Mr. BURLING. Conspiracy to violate the narcotic law?

Mr. RUBINO. I don't understand what you are talking about.

Mr. BURLING. You do know what narcotics are?

Mr. RUBINO. Yes.

Mr. BURLING. What were you charged with conspiring to do?

Mr. RUBINO. I don't remember that.

Mr. BURLING. It slipped your mind even though you went to prison.

Mr. RUBINO. I don't remember.

Mr. BURLING. Even though you went away on a sentence of 18 months in a Federal correctional institution, it has slipped your mind, has it?

Mr. RUBINO. I can't think that far back. I just can't remember.

Mr. BURLING. You cannot remember whether you went to jail?

Mr. RUBINO. I know that, yes.

Mr. BURLING. Then we come down to 1944, investigation of robbery armed, and in 1944, investigation for murder, and in this year, investigation of assault with intent to kill. Did you get those arrests?

Mr. RUBINO. Yes.

Mr. BURLING. Have you ever been in a legitimate business?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. Have you ever earned an honest dollar in your life?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. How does that incriminate you, Mr. Rubino, to testify whether you ever earned an honest dollar?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. Mr. Chairman, I think that question is clearly proper and I ask that the witness be ordered to answer it.

The CHAIRMAN. Yes, the committee directs that you answer.

Mr. RUBINO. I refuse to.

The CHAIRMAN. All right. The next question.

Mr. BURLING. I have here some sheets which look to me like accounting sheets that have columns headed "T, H, Col, Short, and X, and EXP". The number 72400 and the date April 21. Then there is a tape, an adding-machine tape. Did you ever see those before?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. You refuse to answer?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. Whether you saw them?

Mr. RUBINO. That's right.

Mr. BURLING. By the way, were you ever arrested for shooting a police officer?

Mr. RUBINO. No, sir.

Mr. BURLING. Had you ever been a fugitive from justice?

Mr. RUBINO. I refuse to answer that.

Mr. BURLING. Didn't you just disappear for about 2 years, at one time? What is your answer?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. What is the Ajax Manufacturing Co.?

Mr. RUBINO. It is a manufacturing company.

Mr. BURLING. Manufacturing what?

Mr. RUBINO. They manufacture automotive parts.

Mr. BURLING. What kind of automotive parts?

Mr. RUBINO. Mirrors.

Mr. BURLING. Do you own it?

Mr. RUBINO. No, sir.

Mr. BURLING. Do you recognize this photograph of a house?

Mr. RUBINO. Yes.

Mr. BURLING. Whose house is that?

Mr. RUBINO. I rent that one.

Mr. BURLING. This indicates the economic status of this man who has a criminal record and I ask that the photograph be admitted in evidence.

The CHAIRMAN. It will be submitted and marked "Exhibit No. 18."

(The document identified was thereupon received in evidence as exhibit No. 18, and appears in the appendix on p. 1031.)

Mr. BURLING. Who owns the house?

Mr. RUBINO. Mrs. Armelee.

Mr. BURLING. Will you spell it?

Mr. RUBINO. I don't know.

Mr. BURLING. Can you read and write?

Mr. RUBINO. No.

Mr. BURLING. Have you ever been in partnership with Pete Licavoli?

Mr. RUBINO. No, sir.

Mr. BURLING. You do know him?

Mr. RUBINO. Yes, sir.

Mr. BURLING. You never had any business dealings with him?

Mr. RUBINO. Never.

Mr. BURLING. Mr. Chairman, our memorandum on Mr. Rubino reads:

This man is one of the toughest hoodlums in this part of the country. Is suspected in several murders. Is trigger man for Licavoli combine in a number of murders.

Do you care to comment about that?

Mr. RUBINO. I don't know what you are talking about.

Mr. BURLING. You cannot understand that?

Mr. RUBINO. No, sir.

Mr. BURLING. Mr. Chairman, I would like to ask the witness once more if he can identify these documents which I will characterize as policy records, and then, since policy is not a Federal offense, I will ask the Chair to order the witness to answer.

Mr. Rubino, I show you a sheaf of papers dated April 21. Will you please examine them and state whether or not you know what they are?

Mr. RUBINO. I refuse to look at them. I refuse to answer.

Mr. BURLING. You refuse to look at them?

Mr. RUBINO. Yes.

Mr. BURLING. I will ask the Chair to direct the witness to answer.

The CHAIRMAN. The Chair directs you and you still refuse?

Mr. RUBINO. I refuse to answer.

Mr. BURLING. May these be marked in evidence?



The CHAIRMAN. The sheets will be admitted in evidence and marked, and the witness' refusal duly noted. The Chair will recommend to the full committee that a citation for contempt be issued against Mike Rubino.

(The document identified was thereupon received in evidence as exhibit 19, and are on file with the committee.)

The CHAIRMAN. You are excused.

(Witness excused.)

Mr. BURLING. Will either Deputy Superintendent Lawrence or Inspector Slack, whichever knows this case better, step forward please?

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. SLACK. I do.

### TESTIMONY OF PAUL SLACK, INSPECTOR, POLICE DEPARTMENT, DETROIT, MICH.

The CHAIRMAN. Your full name, please?

Mr. SLACK. Paul Slack.

Mr. BURLING. What rank do you have with the police department?

Mr. SLACK. Inspector.

Mr. BURLING. And you were in charge of what squad?

Mr. SLACK. The vice bureau.

Mr. BURLING. The vice bureau?

Mr. SLACK. That's right.

Mr. BURLING. Does the matter of policy come under your jurisdiction?

Mr. SLACK. It does.

Mr. BURLING. Did the police department make a policy case of one Mike Rubino last year?

Mr. SLACK. No, sir.

Mr. BURLING. Did the department ever make such a case?

Mr. SLACK. There was a case made on Sam Lucido, and Mike Rubino figured into that case, and the document that you showed him a moment ago was evidence taken from that particular case.

Mr. BURLING. Sam Lucido?

Mr. SLACK. Yes.

Mr. BURLING. From whom were the documents taken?

They were taken from Mike Rubino's home.

Mr. BURLING. I show you exhibit No. 19, in evidence, and ask you if you are familiar with it?

Mr. SLACK. Yes; I am familiar with it.

Mr. BURLING. That was taken from Mike Rubino's home?

Mr. SLACK. That is right.

Mr. BURLING. By the police acting lawfully, I take it?

Mr. SLACK. That's right.

Mr. BURLING. Can you explain what that sheet is, for the committee's benefit? What is your understanding as to what those entries indicate?

Mr. SLACK. Well, this is a record on mutuel numbers.

Mr. BURLING. Tell us, if you know, what those different columns represent?

Mr. SLACK. The first column represents the code or particular region where these tickets came in from.

The second column represents the take.

Mr. BURLING. That is how much money each particular pickup man brings in; is that right?

Mr. SLACK. No; that is the over-all take for this particular period.

Mr. BURLING. The over-all take?

Mr. SLACK. Yes.

Mr. BURLING. That is all for 1 day, isn't it?

Mr. SLACK. Yes.

Mr. BURLING. You mean the over-all take from one particular region or code number?

Mr. SLACK. That's right, and the next, what was collected and what was short.

Mr. BURLING. Then there is a column "Expenses."

Mr. SLACK. Yes.

Mr. BURLING. I believe there is the word "law" there on that sheet, isn't there? Perhaps it is on another sheet.

Mr. SLACK. I don't notice it here.

Mr. BURLING. Now, would you look at that file and see if there aren't several sheets for the same day.

Mr. SLACK. That's right.

Mr. BURLING. That would indicate that this policy house took in the total of takes which is the amount arrived at on the several sheets?

Mr. SLACK. That's right.

Mr. BURLING. That is 1 day alone?

Mr. SLACK. That's right.

Mr. BURLING. Mr. Chairman, we have here the records for about 2 weeks. I don't think we should take the time of the hearing to go into all of them, but I think they should all go into evidence, so we can have an accountant total them and give us an idea of the volume of this one operation.

Is it agreeable to the police department that we take these to Washington, photostat them, and return them to you?

Mr. SLACK. Yes, sir.

Mr. BURLING. Will you examine the rest of this file and see if there is not also a file of police records taken from the home of Mike Rubino?

Mr. SLACK. Here is one.

The CHAIRMAN. They all will be marked and placed in evidence, and through the kind cooperation of the inspector and his associates will be photostated and the originals returned to you, sir.

The documents identified were thereupon received in evidence as exhibit No. 20, and are on file with the committee.)

Mr. BURLING. I think I can state to you, Mr. Chairman, that the committee regards this case as a good piece of police work, and wants to commend the police department on it.

The CHAIRMAN. That is true.

Inspector, there are just one or two other questions I would like to ask you, because the particular location here, so close to the Canadian border, does present a situation which we have not encountered elsewhere. Not only are State lines involved, but international borders as well. Are you familiar—as I am sure you are—with the operations in regard to horse-race betting?

Mr. SLACK. Yes, sir.

The CHAIRMAN. Would you say as to what happened when and if there had been a concentration of effort here in Detroit to stamp out horse betting. Did that reappear in Windsor or across the border?

Mr. SLACK. When we concentrated and raided race wire-service centers we found that it moved across the river.

The CHAIRMAN. Moved across the river into——

Mr. SLACK. Windsor, Canada.

The CHAIRMAN. Now, do you know Pete Licavoli?

Mr. SLACK. Yes, sir.

The CHAIRMAN. And you are familiar with his operations and his reputation here?

Mr. SLACK. Yes.

The CHAIRMAN. Do you know who represents Licavoli's interests in Windsor? Have you information on that?

Mr. SLACK. I know who represents the wire-service interests in Windsor.

The CHAIRMAN. Who does?

Mr. SLACK. Howard Kerr.

The CHAIRMAN. Is it true, Inspector, that Frank Costello gave the Windsor and the Detroit area rights to Howard Kerr, leading prostitution and the numbers racket on both sides of the border, to Pete Licavoli and Joe Bonmaritto? Have you heard information to that effect?

Mr. SLACK. I have heard a little information on Costello.

The CHAIRMAN. You had not heard that Kerr went to New York to see Costello and actually paid a substantial amount running in excess of \$30,000 monthly for the bookie rights?

Mr. SLACK. Well, I have heard that he pays quite a bit of money for the wire-service rights over there, but to whom, I don't know.

The CHAIRMAN. Would you say that there is still operating from Windsor lines which make possible betting from Detroit; that since the concentration of effort by the Detroit police to stamp out horse betting, it has been followed from Windsor?

Mr. SLACK. Well, there has been considerable concentration in Windsor and in recent weeks they have made a number of raids over there, and I think it is pretty quiet over there now.

The CHAIRMAN. I would like to show you several photographs and ask you if you will give us your knowledge of them.

Mr. SLACK. These photographs are photographs of a wire service relay station that we located down in Lincoln Park, Mich.

Mr. BURLING. When was that, Inspector? Was that the raid in December?

Mr. SLACK. That was previous to the raid in December.

Mr. BURLING. That shows a considerable number of telephones in one place.

Mr. SLACK. Yes, sir. There were 21 telephones there.

Mr. BURLING. And that indicates that the racing information comes in on one and it fanned out to the others, is that right?

Mr. SLACK. In this particular case, an open line was held between Windsor and Detroit and a relay station had been built, and 21 lines emanated from that station to bookmakers in metropolitan Detroit.

Mr. BURLING. I see.

Now, changing the topic slightly, there was a raid, was there not, some time in 1950, in which a number of telephones listed under different names were seized and service canceled?

Mr. SLACK. That is right.

Mr. BURLING. Would you look at this series of canceled checks, and see if that refreshes your recollection about that?

Mr. SLACK. Yes; I am familiar with these checks. These checks are refund checks.

Mr. BURLING. That is, when the 21 phones were put in, the purported subscriber had to put up a deposit; is that right?

Mr. SLACK. That is right.

Mr. BURLING. And when you raided the place, each telephone subscriber had a refund coming to him?

Mr. SLACK. That is true.

Mr. BURLING. Now, did one man endorse all of those refund checks?

Mr. SLACK. Yes, sir. That is right.

Mr. BURLING. Who?

Mr. SLACK. Anthony Giacalone.

Mr. BURLING. That would indicate to you that he had some connection with this fan-out system?

Mr. SLACK. That is right.

Mr. BURLING. Pardon?

Mr. SLACK. That is right.

The CHAIRMAN. Inspector, I think you said in response to a question that you did not have very much information with regard to Frank Costello.

Mr. SLACK. That is right.

The CHAIRMAN. You do, however, have some, do you not?

Mr. SLACK. Yes; I have heard the name frequently. I have never seen the man in Detroit. He was supposed to have visited here a couple of years ago on a deal but I never got to him.

The CHAIRMAN. Any information which you do have or can acquire would, of course, be available to the committee because we have quite a lot of information regarding him operating in the East.

Mr. SLACK. I would be glad to tell you everything.

The CHAIRMAN. Thank you, Inspector, very much.

Is Joe Brynski here?

Mr. BURLING. I think these photographs and checks should be received in evidence.

The CHAIRMAN. They will be admitted and marked.

(The documents identified were thereupon received in evidence as exhibit No. 21, and are on file with the committee.)

The CHAIRMAN. Is Joe Brynski here?

Mr. SAM BRYNSKI. Joe has a broken leg.

Mr. BURLING. Mr. Chairman, may I say that this man has been notified and has been served with a subpoena and he, or rather, his lawyer was notified in due course that he would have to be here today. We were not told that he had a broken leg.

Mr. SAM BRYNSKI. Mr. Anderson knows about it.

Mr. BURLING. You will be quiet, sir. You are not under oath and you will not be heard.

I recommend, Mr. Chairman, that the Chair require that a sworn doctor's certificate that the witness is unable to be here be furnished

Mr. Amis by 10 o'clock tomorrow morning and if that is not done, that the chairman of the subcommittee recommend to the full committee a citation of Joseph Brynski for contempt.

The CHAIRMAN. That will be done, and will you undertake to procure such a certificate?

Mr. SAM BRYNSKI. That statement will be here tomorrow morning.

The CHAIRMAN. All right. You are excused.

The next witness is Louis Ricciardi.

Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RICCIARDI. I do.

#### TESTIMONY OF LOUIS EDWARD RICCIARDI, DETROIT, MICH.

Mr. BURLING. Mr. Chairman, before we commence the testimony of this witness, may I state on the record so that its pertinence will appear as to why we wish to examine Joseph Brynski? It is our information that he is a major numbers operator operating under the so-called "snoozie" house, and it is the desire of the staff to place before the committee his testimony.

The CHAIRMAN. It will be so noted and, of course, further steps taken to require his appearance and testimony.

Now, what is your full name?

Mr. RICCIARDI. Louis Edward Ricciardi.

The CHAIRMAN. Now, Mr. Ricciardi, I ask you to keep your voice up, if you will, please, so that everybody can hear you.

Mr. RICCIARDI. Yes.

The CHAIRMAN. What business have you engaged in?

Mr. RICCIARDI. Linen supply business.

The CHAIRMAN. Is it known as the Clean Linen Service?

Mr. RICCIARDI. That is right.

The CHAIRMAN. How long have you been engaged in that operation?

Mr. RICCIARDI. About 18 years.

The CHAIRMAN. What is the location?

Mr. RICCIARDI. Well, we started originally in a laundry—Detrioter Hotel.

The CHAIRMAN. You have always been in Detroit, have you?

Mr. RICCIARDI. Always in Detroit.

The CHAIRMAN. For 18 years.

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. The Clean Linen Service Co. does a big gross business, does it not?

Mr. RICCIARDI. Yes, considerably big.

Mr. BURLING. I consider \$229,000 a big sum of money.

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. Can you read and write?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. You had \$229,000 gross in 1940 and \$279,000 in 1941, is that right?

Mr. RICCIARDI. If you have it there, it must be right, because our records are here.

Mr. BURLING. \$306,000 in 1942?

Mr. RICCIARDI. It is about that; right.

Mr. BURLING. \$504,000 in 1943, is that right?

Mr. RICCIARDI. If those are our records.

Mr. BURLING. \$409,000 in 1944 and \$262,000 in 1945. I am skipping \$305,000 in 1949, rather I skipped 1948 which was \$612,000, is that right?

(No response.)

Mr. BURLING. Is there anything wrong where you want to contradict me?

Mr. RICCIARDI. I would know if those are the records that our auditors sent down, they are right.

Mr. BURLING. Yes, this is taken off your records and you got \$44,000 in 1945 as a partnership earning and \$40,000 in 1946 and \$42,000 in 1947 and \$48,000 in 1942. Also, \$56,000 in 1949, is that right?

Mr. RICCIARDI. If that is what is there.

Mr. BURLING. You make a comfortable living?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. Have you ever been arrested on the charge of murder?

Mr. RICCIARDI. If you would enlighten my memory—

The CHAIRMAN. Do you have to be reminded of it or have your recollection refreshed as to a charge of murder?

Mr. RICCIARDI. It was some time ago.

Mr. BURLING. Well, you have been arrested five times. Mr. Chairman, this man has been arrested five times for murder and now you cannot remember?

Mr. RICCIARDI. I remember being arrested; yes.

Mr. BURLING. On a charge of murder and you cannot remember it?

Mr. RICCIARDI. I do remember it; yes, sir.

Mr. BURLING. The first one was back in 1918—March 18. Who were you accused of having murdered?

Mr. RICCIARDI. I just don't remember.

Mr. BURLING. It slips your mind? Well, the same year, October 17, you were charged with murder and do you remember who that was?

Mr. RICCIARDI. No, sir.

Mr. BURLING. Then in 1920 in September you were charged with murder, do you remember?

Mr. RICCIARDI. I don't remember.

Mr. BURLING. Then in November of that same year, you were charged again with murder. Have you ever been charged with armed robbery?

Mr. RICCIARDI. If you have it there I have, because I have been arrested several times.

Mr. BURLING. Do you have any interest in the Wonder Bar?

Mr. RICCIARDI. No, sir.

Mr. BURLING. None whatever?

Mr. RICCIARDI. No, sir.

Mr. BURLING. Going on with the murders, do you remember you were arrested in March of 1923 on the charge of murder?

Mr. RICCIARDI. If it is there, I must have been. I just don't remember those dates.

Mr. BURLING. I can read the record. It is in front of me. I am asking if you remember.

Mr. RICCIARDI. I do not remember. I remember being arrested.

Mr. BURLING. I do not know the feeling of the chairman but it certainly is incredible to me that a man could be arrested about five times on the charge of murder and not remember anything about it.

Mr. RICCIARDI. That many times but I just don't know the days.

The CHAIRMAN. Do you remember having been arrested?

Mr. RICCIARDI. Yes.

The CHAIRMAN. You do not remember the days?

Mr. RICCIARDI. Or the charges.

The CHAIRMAN. Or the charges?

Mr. RICCIARDI. No, I don't.

Mr. BURLING. Have you ever been arrested on a narcotics charge?

Mr. RICCIARDI. I don't remember that.

Mr. BURLING. That was your very first arrest, was it not?

Mr. RICCIARDI. I don't remember that.

Mr. BURLING. Do you remember the first time you were arrested?

Mr. RICCIARDI. No, I don't—quite a while ago.

Mr. BURLING. Back in 1917 the record shows you were arrested for violation of the drug law. Does that refresh your recollection?

Mr. RICCIARDI. If it is there, I must have been arrested. I don't know what the drug is.

Mr. BURLING. You do not know what drugs are?

Mr. RICCIARDI. Yes, I know. I don't know what they look like.

Mr. BURLING. How about December 13, 1919? Well, I am sorry, that is a violation of the United States Code. How about March 21, 1920, for narcotics?

Mr. RICCIARDI. I never had anything to do with narcotics.

Mr. BURLING. Were you ever arrested for the violation of the Prohibition Act?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. You remember that?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. Do you remember you had five separate arrests for armed robbery?

Mr. RICCIARDI. I don't remember that. If they are there, I must have been charged.

Mr. BURLING. By the way, are you a citizen?

Mr. RICCIARDI. No, sir; I am not.

Mr. BURLING. You are not?

Mr. RICCIARDI. No, sir.

Mr. BURLING. When did you enter the United States?

Mr. RICCIARDI. About 1904.

The CHAIRMAN. You have been here for 47 years and never made an attempt to become a citizen?

Mr. RICCIARDI. Yes, I did; but just on account of that record there, I don't think I'd be admitted.

Mr. BURLING. Are you not in business with Angelo Meli?

Mr. RICCIARDI. No, sir.

Mr. BURLING. Have you not ever been in business with Angelo?

Mr. RICCIARDI. No, sir.

Mr. BURLING. Never?

Mr. RICCIARDI. No, sir.

Mr. BURLING. You have never been in the juke-box business with anyone?

Mr. RICCIARDI. No, sir.

Mr. BURLING. Now, do you have a home in Florida?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. Have proceedings for deportation been commenced against you?

Mr. RICCIARDI. No, sir.

Mr. BURLING. Never?

Mr. RICCIARDI. No, sir.

Mr. BURLING. It is contrary to the information supplied us by the Immigration Service, Mr. Chairman.

The CHAIRMAN. Mr. Ricciardi, have you any explanation that you can give to this committee as to how a man with your record of law defiance and law infractions could be accepted and could succeed to the position you have and to be enjoying the benefits of society that you have without any citizenship or without having earlier made proper efforts to obtain it unless, of course, you were enmeshed in trouble and then disentitled to citizenship? Have you any explanation that you can give us?

Mr. RICCIARDI. Well, I have all those arrests. I have never been convicted of—I don't know—one—but there was a custom whenever you got arrested, they put a charge against you and later you would be dismissed. I had nothing to do with that.

Mr. BURLING. We have been told that the Clean Linen Service operates so that if anyone ever takes your linen service and then wants to stop and shift to another one, no other service in the city will service that account. Have you ever heard that story?

Mr. RICCIARDI. It isn't so.

Mr. BURLING. You deny that?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. We have been told that you maintain your prosperous business through muscle. Do you understand what I mean by "muscle"?

Mr. RICCIARDI. I do and I don't.

Mr. BURLING. Do you know Sam Perrone?

Mr. RICCIARDI. No; I don't.

The CHAIRMAN. That is all.

(Witness excused.)

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. Tocco. I do.

#### TESTIMONY OF WILLIAM TOCCO, DETROIT, MICH., ACCOMPANIED BY WALTER SCHWEIKART, ATTORNEY, DETROIT, MICH.

The CHAIRMAN. What is your full name?

Mr. Tocco. William Tocco.

The CHAIRMAN. What is your address?

Mr. Tocco. 781 Middlesex.

The CHAIRMAN. How long have you lived in Detroit?

Mr. Tocco. Over 38 years.

The CHAIRMAN. Counsel accompanies you today and is your attorney?

Mr. Tocco. Yes.



The CHAIRMAN. Would you be good enough to identify yourself?

Mr. SCHWEIKART. Walter Schweikart, and my address is 1184 Edley, Detroit, Mich.

The CHAIRMAN. We are glad to have you, and any juncture in the procedure where you desire to be heard to make any representation to us, you may do so. Now, certain questions will be propounded by counsel.

Mr. BURLING. Mr. Tocco, just to try to get the Tocco family straight, you are the son of which Tocco?

Mr. Tocco. The son?

Mr. BURLING. Who was your father?

Mr. Tocco. My father is in the old country.

Mr. BURLING. Who is Joe Tocco?

Mr. Tocco. No relation.

Mr. BURLING. Do you have a son named William, also?

Mr. Tocco. No, sir.

Mr. BURLING. Do you have any son?

Mr. Tocco. Jack.

Mr. BURLING. Jack Tocco.

Mr. Tocco. Anthony Tocco.

Mr. BURLING. Jack is his nickname?

Mr. Tocco. No. I have two sons, Jack and Anthony.

Mr. BURLING. You were born in Italy?

Mr. Tocco. Yes.

Mr. BURLING. What part?

Mr. Tocco. Near Palermo.

Mr. BURLING. Sicily?

Mr. Tocco. Yes.

Mr. BURLING. In what business are you?

Mr. Tocco. I am in the fruit business, Lakeshore Boats, the bakery business and I am employed by the Lafayette Motors.

Mr. BURLING. What is the Lafayette Motors?

Mr. Tocco. They sell automobiles.

Mr. BURLING. What kind of automobiles?

Mr. Tocco. Chryslers and Plymouths.

Mr. BURLING. Is your son an officer of the Lafayette Motors?

Mr. Tocco. Yes.

Mr. BURLING. And you have received over the past 10 years, dividends of \$10,000 to \$12,000 a year, is that right?

Mr. Tocco. What's that?

Mr. BURLING. Is that right?

Mr. Tocco. What did you say?

Mr. BURLING. That you received dividends over the last 10 years of about \$10,000 to \$12,000.

Mr. Tocco. From where?

Mr. BURLING. From the Lafayette Motors.

Mr. Tocco. No, sir.

Mr. BURLING. You returned on your income-tax return—

Mr. Tocco. Not from Lafayette Motors.

Mr. BURLING. This is your tax return for William V. Tocco? What street do you live on?

Mr. Tocco. 871 Middlesex, Grosse Pointe, Mich.

Mr. BURLING. Your return shows \$9,303.50 from Lafayette Motors.

Mr. Tocco. Not in the last 10 years.

Mr. BURLING. I am taking it up year by year. In 1949, you did, is that right?

Mr. TOCCO. I guess so.

Mr. BURLING. Do you recognize this photograph [indicating].

Mr. TOCCO. Yes, that is my house.

Mr. BURLING. As an indication, Mr. Chairman, of the economic status of this witness, I would like to put this photograph into evidence.

Mr. SCHWEIKART. What is the age of that house?

Mr. TOCCO. Twenty-two years old. Over 22 years.

The CHAIRMAN. What is the value of it as of today?

Mr. TOCCO. I don't know.

The CHAIRMAN. Just about.

Mr. TOCCO. What do I know.

Mr. SCHWEIKART. There is a little cost of three lots and the house was \$60,000, on which he obtained a \$30,000 mortgage.

The CHAIRMAN. Would counsel indicate what his approximation of its value would be today? Have you any thought in the matter?

Mr. SCHWEIKART. I would say \$35,000 or \$40,000.

The CHAIRMAN. It will be marked and received as exhibit No. 42.

(The photograph identified was thereupon received in evidence as exhibit No. 22, and is on file with the committee.)

Mr. BURLING. Do you have a criminal record?

Mr. TOCCO. I can tell you that I was arrested a couple of times when I came out of the dance halls late at night.

Mr. BURLING. You have three arrests on armed robbery now, do you not?

Mr. TOCCO. Armed robbery?

Mr. BURLING. Yes.

Mr. TOCCO. No, sir.

Mr. BURLING. On May 26, 1920, the Detroit police record shows you were arrested for armed robbery. Do you deny that?

Mr. TOCCO. I was arrested, but you know they put anything on.

Mr. BURLING. You mean they just put any old thing on it.

Mr. TOCCO. That's right.

Mr. BURLING. Then, again, in 1923, you were arrested for armed robbery; was that the charge that time?

Mr. TOCCO. I don't recall it.

Mr. BURLING. In 1923 you were arrested for moving property. In 1924, for armed robbery.

Mr. TOCCO. Removing what?

Mr. BURLING. I said armed robbery.

Mr. TOCCO. I don't remember.

Mr. BURLING. Then, again, in 1931, for investigation. In 1932, for violation of the National Prohibition Act. Do you remember that?

Mr. TOCCO. In 1932?

Mr. BURLING. Yes.

Mr. TOCCO. I guess so.

Mr. BURLING. You were a bootlegger during prohibition, were you not?

Mr. TOCCO. I guess so.

Mr. BURLING. The answer is "Yes"?

Mr. TOCCO. Yes.

Mr. BURLING. In 1945 you were arrested for investigation of murder. Who were you charged with having murdered?

Mr. TOCCO. What do you mean 1945?

Mr. BURLING. In 1945.

Mr. TOCCO. Arrested for murder?

Mr. BURLING. That is what the record shows.

Mr. TOCCO. Oh, my God.

Mr. BURLING. What is it that you said?

Mr. TOCCO. I said, "Oh, my God."

Mr. BURLING. Then the record is wrong; is that right?

Mr. TOCCO. Listen, I was at the race track.

Mr. BURLING. Were you arrested on a charge of murder?

Mr. TOCCO. No, sir. They just put me off the race track.

Mr. BURLING. They put you off the racetrack?

Mr. TOCCO. Yes; and charged me with murder.

The CHAIRMAN. Mr. Tocco, will you just answer the questions?

Mr. TOCCO. I want to clarify the answer.

The CHAIRMAN. You can make any explanation you wish to counsel who will advise you.

Mr. BURLING. In 1951, January 13, 1951, you were arrested once more. That is last month, or less than a month ago. You were arrested, were you not?

Mr. TOCCO. For what?

Mr. BURLING. I don't know.

Mr. TOCCO. Does it say there in the subpoena?

Mr. BURLING. Conspiracy to violate the gambling laws?

Mr. TOCCO. No, sir, no, sir.

Mr. BURLING. You were not arrested?

Mr. TOCCO. No, sir.

Mr. BURLING. The deputy superintendent of police, Kennedy Lawrence, is here, and I wonder if he would come forward and identify this document. May the record show——

Mr. LAWRENCE. He was arrested and brought in for subpoena——

Mr. SCHWEIKART. Did the reporter get what Mr. Lawrence said, in the record? I want him to repeat it for the record.

Mr. LAWRENCE. That is the arrest on the 15th of January when Mr. Tocco was brought in and served a subpoena for this committee.

Mr. SCHWEIKART. What does the record show——

Mr. BURLING. I will ask any questions necessary.

Mr. SCHWEIKART. Senator, I believe we should clarify that one issue. It shows that the records are not correct. He was arrested under a subpoena, and that shows gambling.

Mr. BURLING. Is it correct, Inspector, that the charge recorded in the books was violating the State gambling laws?

Mr. LAWRENCE. I didn't see the record. That is what the record shows here: violating the State gambling laws. That is the charge he was brought in on.

Mr. SCHWEIKART. What was——

Mr. BURLING. I said that we would ask any questions we deemed necessary.

Mr. SCHWEIKART. We should have the superintendent explain——

The CHAIRMAN. I think I can ask a question to clear it up. The record shows he was brought in for alleged violation of the gambling laws.

Mr. LAWRENCE. That is right.

The CHAIRMAN. Actually, upon his being brought in he was served with a subpoena to attend this hearing.

Mr. LAWRENCE. That is right.

Mr. SCHWEIKART. That is right.

Mr. BURLING. Did you form or take part in forming the Pfeiffer Brewing Co.?

Mr. TOCCO. Forming the Pfeiffer Brewing Co.?

Mr. BURLING. Do you know anything about the Pfeiffer Brewing Co. or did you ever have anything to do with it?

Mr. TOCCO. Previously I had.

Mr. BURLING. Previously to what?

Mr. TOCCO. To Pfeiffer.

Mr. BURLING. You mean the name of the company was changed?

Mr. TOCCO. Yes.

Mr. BURLING. What was it changed from?

Mr. TOCCO. From State Products Co.

Mr. BURLING. Please speak up.

Mr. TOCCO. I am trying to do my best.

Mr. BURLING. Who was with you in State Products Corp.?

Mr. TOCCO. It was Anthony Lambert.

Mr. BURLING. Who else?

Mr. TOCCO. Herman Weil.

Mr. BURLING. Go ahead.

Mr. TOCCO. Alfred Epstein and Mr. Zerrilli.

Mr. BURLING. Is that Joe Zerrilli?

Mr. TOCCO. Yes.

Mr. BURLING. Would you please answer the question.

Mr. TOCCO. Just a minute. I'm trying to confer with my attorney. If I don't remember something, I want to ask him.

Mr. BURLING. No conversation, please. We've got to keep the hearing going.

Mr. TOCCO. That's all, those five of them.

Mr. BURLING. I see. And you originally founded State Products at the end of prohibition; is that right?

Mr. SCHWEIKART. If I may make a statement, I may assist you somewhat to save your time.

The CHAIRMAN. Supposing you do, Counsel.

Mr. SCHWEIKART. Previous to the repeal of the prohibition law, the State Products Co., I have been advised, manufactured malt, which was practically legal. These men, Mr. Tocco and the rest of them, were in this business for some time, from around 1928 or 1929 up until the repeal of the prohibition law, and at that time, they sold out the State Products to some people from Chicago. The deal fell through, and later on, their interest—Mr. Tocco and Mr. Zerrilli's interest was sold to Alfred Epstein. And that is the time that they got out of the State Products Co. But from around 1927, 1928, or 1929 up until the repeal of the prohibition law, they were in the State Products.

Mr. BURLING. When did they sell out to Epstein?

Mr. SCHWEIKART. I would say in 1933 or 1934.

Mr. BURLING. Didn't Mr. Tocco remain in it until about 1937?

Mr. SCHWEIKART. Well, I don't think so. I doubt it very much, because—

Mr. BURLING. Let us have the witness testify. He is under oath.

When did you get out of either State Products or Pfeiffer Brewery?

Mr. TOCCO. Listen, all I know, I sold out. The time and place, I don't know. I don't remember.

Mr. BURLING. You don't remember when you sold it?

Mr. TOCCO. No, not the exact day.

Mr. SCHWEIKART. We can show you that according to his income tax, if you want. In other words, an income tax was filed, and we will be very happy to show it to you. My recollection is 1933 or 1934.

Mr. TOCCO. Who remembers so far back?

Mr. BURLING. In addition to selling legal malt, State Products sold beer, illegal beer, didn't they?

Mr. ZERRELLI. What's that?

Mr. BURLING. State Products sold illegal beer during prohibition too, did it not?

Mr. TOCCO. No, sir.

Mr. BURLING. But you admitted you were a bootlegger.

Mr. TOCCO. So I admitted it.

Mr. BURLING. But you deny that you made beer?

Mr. TOCCO. That's right.

Mr. BURLING. I see.

Mr. TOCCO. You said before the State Products. We didn't make no beer in the State Products. Get things right here.

Mr. BURLING. You did make beer, but not under State Products?

Mr. TOCCO. That's right.

Mr. BURLING. And you are now an investor in Lafayette Motors?

Mr. TOCCO. In the building.

Mr. BURLING. In the building?

Mr. TOCCO. Yes.

Mr. BURLING. And what is the name of the coach company?

Mr. TOCCO. Lake Shore Coach.

The CHAIRMAN. I think that is all.

Mr. SCHWEIKART. May I just ask a few questions of this witness to kind of help his reputation along a little bit?

The CHAIRMAN. Certainly.

Mr. SCHWEIKART. Mr. Tocco, you are the father of how many children?

Mr. TOCCO. Seven.

Mr. SCHWEIKART. Have you been in any illegal enterprises outside of violating the prohibition law?

Mr. TOCCO. No, sir.

Mr. SCHWEIKART. And that was previous to 1928 or 1929?

Mr. TOCCO. That's right.

Mr. SCHWEIKART. And these arrests that were made, have you ever been brought to trial on any of them?

Mr. TOCCO. No, sir.

Mr. SCHWEIKART. At any time, has there ever been a warrant issued for your arrest?

Mr. TOCCO. Not that I remember.

Mr. SCHWEIKART. And you do recall it? You were never arrested for violating the prohibition law—or never arrested or convicted for violating the prohibition law?

Mr. TOCCO. No, sir.

Mr. SCHWEIKART. Now, what year did you come to this country?

Mr. TOCCO. I came here in 1912.

Mr. SCHWEIKART. And how old were you at that time?

Mr. TOCCO. Barely 15 year old.

Mr. SCHWEIKART. Did you ever serve in the United States Army?

Mr. TOCCO. I enlisted in the United States Army when I was 19 year old.

Mr. SCHWEIKART. Then you were not drafted?

Mr. TOCCO. No, sir.

Mr. SCHWEIKART. And how long were you in the Army?

Mr. TOCCO. Twenty-one months.

Mr. SCHWEIKART. And ever since the mistake that you made in violating the prohibition law, you have lived a good clean life?

Mr. TOCCO. That's right.

Mr. SCHWEIKART. And brought up a nice family?

Mr. TOCCO. That's right, seven kids.

Mr. SCHWEIKART. Thank you very much, Mr. Chairman.

The CHAIRMAN. You are very welcome.

You are excused.

(Witness excused.)

The CHAIRMAN. There are no further witnesses to be called, although other witnesses have been summoned, but we consider their testimony would be cumulative and might not reveal anything particularly different from that which has been taken already.

But before closing the hearing, I would like to ask whether there is any person whose name has been mentioned in the proceedings to whom reference has been made in any way unfavorably and who feels that he is entitled to be heard in order to clear his name?

Mr. BOEHM. I would like to read a statement. My name was used in the proceedings.

The CHAIRMAN. And you feel you would like to make a statement?

Mr. BOEHM. I think so.

The CHAIRMAN. What is your name, please?

Mr. BOEHM. My name is Ernest C. Boehm. I am one of the assistant prosecuting attorneys. I am here in connection with the Hester matter.

The CHAIRMAN. I see. Now, you will, of course, follow the procedure as in all cases and you will be sworn. Do you have any objection?

Mr. BOEHM. No.

The CHAIRMAN. Do you solemnly swear the testimony you will give this committee will be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. BOEHM. I do.

#### TESTIMONY OF ERNEST C. BOEHM, ASSISTANT PROSECUTOR, WAYNE COUNTY, MICH.

Mr. BOEHM. May I sit down?

The CHAIRMAN. Yes, indeed.

Mr. Boehm, what is your position?

Mr. BOEHM. I am an assistant prosecutor.

The CHAIRMAN. What county?

Mr. BOEHM. Of Wayne County. I am in charge of the criminal division of the Wayne County Circuit Court.

The CHAIRMAN. May I ask you to be good enough to speak loud enough so all may hear you?

Mr. BOEHM. Certainly.

The CHAIRMAN. Now, Mr. Boehm, would you care to make a statement, first without being interrupted, and, of course, to answer any questions that may be asked of you?

Mr. BOEHM. Yes.

The CHAIRMAN. Now, we have announced the rule that any person whose name has been mentioned in these proceedings, if he feels that any injustice has been done him, he has the perfect right to appear and to present any factual information which he thinks would be of importance or would bear upon the assertions that have been made. We feel you are entirely within your rights in coming, and we are very glad to hear what you have to say.

Mr. BOEHM. Thank you, sir.

Now, this is the statement I would like to make to the committee:

Ralph Guy, police chief of the city of Dearborn, testified that the bribery case against Edward Hester was dismissed, but this is not true. The case only nolle prossed so that it could be started over to eliminate defects in the pleadings. None of these pleadings were prepared by me, but all were prepared by the former administration.

On November 21, 1950, this case was nolle prossed, and on the very same day I immediately issued a new warrant for the same charge of bribery, and Edward Hester is now before the court awaiting examination on this case. You will see from the court order nolle prossing the case that no dismissal was made, but only a nolle prosse in order to eliminate defects in the pleadings and bring the case on for trial on proper pleadings. The court order, entered on November 21, 1950, reads as follows:

Reason said case should be nolle prossed is so that it can be started over again in order to show venue and proper proofs in an examination.

When I examined the transcript of the case for trial I found that Mr. Guy had stated that the bribe was given to him "in his office" but he did not say that his office was located in Dearborn. This is a technical jurisdictional defect because under Michigan law the place of the crime must be stated with certainty.

So in order to make absolutely sure that Edward Hester would not get out on a technicality I nolle prossed the case and immediately started the case over and issued a warrant for his arrest on bribery.

The CHAIRMAN. I might say in fairness to Chief Guy that he didn't claim that this case was dismissed. My notes taken at the time he testified show that he testified that on November 18 or thereabouts, 1950, the case was called for trial and was nolle prossed. So that he testified exactly to the same effect you are now testifying.

Mr. BOEHM. Did he testify that we issued a warrant the same day?

The CHAIRMAN. He did.

In fairness to the chief, I wanted to get that one point in because I took notes as he testified and he said that a motion to quash was filed by the attorney for the defendant and that upon that motion being filed, the district attorney then nolle prossed the case. He then said that a warrant was then issued again. There was a preliminary hearing given on it and then it was more recently remanded and sent back again to the original jurisdiction.

Mr. BOEHM. That is right.

The CHAIRMAN. So that Chief Guy's testimony conforms with yours.

Mr. BOEHM. That is right.

The CHAIRMAN. Of course, there was one point that he did bring out which you might wish to say something about and that is that he said that the original arraignment was on July 2, 1948, and that more than 2 years elapsed between the arraignment on July 2, 1948, and the date when the case was called for trial in the middle of December 1950.

Mr. BOEHM. Yes; I would like to say something on that, your Honor. We went into office on January 1, our present administration. In the circuit court we had a load of 731 cases backlogged and we kept whittling those cases down until right now we have them in shape so that we get immediate trials and this one was part of that former administration—of 731 cases that we had whittled down. In that year and a half we whittled them all down. We finally whittled them all down and when this case came up for trial, we wanted to be absolutely sure that this fellow Hester wouldn't get out on a technicality and the only way to make absolutely sure of that was to see that he won't get out on any technicality in the proceedings. The safe thing to do was to nolle prosequere it, start it over so that he could be convicted and there wouldn't be any chance of him getting off.

The CHAIRMAN. All right. Is there anything else you wish to say?

Mr. BOEHM. No.

The CHAIRMAN. Is there anyone else whose name has been mentioned or to whom reference has been made which, in their opinion, reflects unfavorably and unfairly upon him?

The CHAIRMAN. I feel it might be of interest to make a concluding statement and a possible summation for the benefit of all who are interested in the proceedings that we have had. I may say that these Detroit hearings having been held, we are of the belief that the testimony which has been taken has added considerably to the information gathered heretofore by this committee charged by the Senate with the responsibility of investigating matters having to do with organized crime in interstate traffic. The evidence has disclosed, in our opinion, quite important matters. We feel that there is a particularly serious situation which has been revealed here. Criminals with records which ought to have disentitled them to participation in legitimate business and in decent society have muscled in or forced their way into otherwise honest endeavors and to private industry and legitimate enterprise in this area, as has been indicated. Men, whose past records do not entitle them to any consideration in our opinion at the hands of decent people, have been allowed to make large amounts of money, live in comparative luxury and under circumstances which only those who have engaged in decent and legitimate enterprise ought to enjoy in our society. So that there is a particularly serious situation here which we have not encountered in all other places where the hearings have been held. That we think is noteworthy because in certain key industries, it is shown that public enemies have gained a foothold. In other words, we are combating enemies from without who would knock down the institutions and overthrow the institutions of our country from without and at the same time we see evidences of the infiltration of public enemies from within who have done nothing



to build up America but have gnawed at the vitals of our American institutions and yet have now gained a foothold in legitimate enterprises. We think that racketeers have gained access to legitimate undertakings. Missing witnesses whose testimony we deem very necessary will continue to be sought with all the vigor that is possible and in that connection I may say that at this minute, as I am speaking, representatives of this committee are before the proper authorities in this building with reference to testimony and giving evidence as to alleged perjury in connection with our investigation. In other words, that proceeding is now in progress right in this building. This committee will also give further attention to contempt proceedings with reference to other witnesses who have refused to answer questions which we deemed eminently proper and which should be answered.

Now, I might say that there are more pleasant aspects of this situation which I ought not to lose sight of. I feel it perfectly in order to express gratitude and profound thanks to the people of Detroit who are in the great majority in this city law abiding, law respecting, and as fine a type of citizenry as can be found any place else in the United States and to thank the people of Detroit for their hospitality to all of the members of our staff. Particularly, we deem it appropriate to express appreciation to the police department, the splendid police department of the city of Detroit. I feel that it is in order to express appreciation to Judge Arthur Lederle because no more considerate treatment has been received by the committee anywhere than from him through the use of his courtroom and chambers. As a matter of fact, we practically evicted him and his capable staff during the course of these proceedings. We also wish to express thanks to the United States marshal, Joseph Wojecki, and to Mr. Edmund Tobolow, the custodian of the building, for their excellent cooperation and their services. I feel that I should mention Mr. Kane, the United States attorney, and his staff, and thank them for the expeditious manner in which they have proceeded with the facts at hand in regard to further proceedings which are now being held.

I desire to also thank the press, the radio, and the television services for bringing home to the public the activities of the committee. We think that in no other community has there been more direct and helpful cooperation than has been exhibited here because the people in their homes have been able to get the first-hand information as to what we are attempting to do.

Finally, I would like to say a word of praise to the others in our committee and staff, to Mr. Burling, to Mr. Klein, to Mr. Amis, to Mr. McCormick, and to Mr. Caldwell, and also the young ladies for their services and assistance.

I close by stating again what I undertook to state at the outset and that is that we feel as Members of the United States Senate that we have a great obligation to the people of the United States to give earnest attention to developments having to do with organized crime, with the possible use of the instrumentalities of interstate commerce in regard to crime and to unlawful activities. All of this matter, all of these proceedings, all of the evidence taken, will be duly reported by the very capable persons who have reported these proceedings and will be made known to the entire committee. I emphasize that

the information will be available to all members of the committee and to the United States Senate so that appropriate action can be based on the evidence which has been taken. We are determined to go to the very bottom of these matters and where there properly can be improvement in the Federal structure, they must be made because, certainly, our communities must be made safe places in which to live and there must be resistance to organized crime and to those who would tear down the basic institutions of our country.

As I said before, we have found certain conditions here which we think require further attention although I don't wish, by saying that, to indicate that we feel that this great and enterprising community, one of the finest in America, is composed in the majority of other than law abiding and outstanding citizens.

A REPORTER. May I ask a question?

The CHAIRMAN. Yes.

A REPORTER. Could you give us further details about the instances of alleged perjury.

The CHAIRMAN. Well, I might say that that is in the hands of the United States attorney. We made available to him all the information and at his request, and by his initiative, he has started proceedings this afternoon and at this minute Mr. Burling and Mr. Amis are now being interrogated so as to carry forward any further proceedings which he thinks are required.

A REPORTER. I take it there are some formal complaints of perjury lodged?

The CHAIRMAN. Well, it is not within our province to answer for Mr. Kane but I can say this: There are specific matters which have grown out of these proceedings which he is giving attention to at this minute.

With that, the hearings will be concluded and we are very grateful to all of those who have assisted.

(Thereupon, at 4 p. m., the committee was adjourned.)

# INVESTIGATION OF ORGANIZED CRIME IN INTERSTATE COMMERCE

---

MONDAY, FEBRUARY 19, 1951

UNITED STATES SENATE,  
SPECIAL COMMITTEE TO INVESTGATE ORGANIZED  
CRIME IN INTERSTATE COMMERCE,  
*Washington, D. C.*

The committee met, pursuant to adjournment, at 10:20 a. m., in room 457, Senate Office Building, Senator Herbert R. O'Connor presiding.

Present: Senators O'Connor (presiding), Kefauver (chairman), and Tobey.

Also present: Downey Rice, associate counsel; John L. Burling, associate counsel, and Joseph L. Nellis, assistant counsel.

Senator O'CONNOR. Will the hearing please come to order.

By direction of the committee chairman, Senator Kefauver, I have been asked to open the hearings to make it possible for a witness who testified before our subcommittee in Detroit about 10 days ago to testify this morning.

Is Louis E. Ricciardi present?

Mr. RICCIARDI. Yes, sir.

Senator O'CONNOR. Would you hold up your right hand? Do you swear that the testimony you give in this matter shall be the truth, the whole truth, and nothing but the truth, so help you God?

Mr. RICCIARDI. I do.

## TESTIMONY OF LOUIS E. RICCIARDI, ACCOMPANIED BY EDWARD J. HAYES, ATTORNEY AT LAW

Mr. HAYES. May I say my name is Edward J. Hayes, a lawyer in Washington and Detroit, and that on February 9 in Detroit Mr. Louis E. Ricciardi was called to testify as a witness, and at which he did appear. After leaving the Federal Building and reflecting upon his testimony, he become concerned about one negative answer that he gave to the counsel to the committee as to the correctness of it. He thereupon got a hold of his certified accountant who handled his income tax records. It took him until sometime late in the afternoon to get a hold of him, and then he went to his Detroit counsel, and in going over it he had seen that he had made an honest mistake, and he went back with his Detroit counsel, Mr. Richard Sullivan to the Federal Building; whereupon he registered downstairs—they require people going upstairs to register in the Federal Building—and getting upstairs, he found that the committee had adjourned for the day and

had gone back to Washington. It seems there was an erroneous opinion by Detroit counsel that the committee was having night sessions both Thursday and Friday night, which, of course, was inaccurate. So he thereupon wired your committee for an opportunity to come down here to straighten the record as to this one question, and he received a wire from your committee that he would be given this opportunity.

I wish to thank the chairman for giving Mr. Ricciardi this opportunity, and he is now ready to testify as to that particular question propounded by Mr. Burling, counsel of the committee.

Senator O'CONOR. It is in order for any witness who is summoned or who appears before the committee, headed by Senator Kefauver, to have an opportunity to correct any statement which they may have made, or if they had not had full opportunity, to have that chance to do it. So if the witness will proceed now to make any statement that he desires in regard to the matters about which he was interrogated by us in Detroit.

Mr. HAYES. Thank you, Mr. Chairman.

Senator O'CONOR. Mr. Burling.

Mr. BURLING. Just in order that the matter may be intelligible to the press about the Detroit hearing and the public here in Washington, I might briefly state: This witness was called before us because he has a linen-supply business in Detroit which has grossed as high as half-a-million dollars. He also has a long criminal record, including five arrests for murder, all of which he testified before us in Detroit had slipped his mind. We were interested in the circumstances under which a man having such a criminal record and such associations was able to have such business.

Now, Mr. Ricciardi, will you proceed to make such corrections to the record as you think should be made?

Mr. RICCIARDI. Yes, sir. I was asked that question by you, Mr. Burling—

Senator O'CONOR. Keep your voice up, please, so all may hear.

Mr. RICCIARDI. I was asked the question by Mr. Burling if I was ever in business with Angelo Mele, and I answered, "No." I would like to correct that question—that answer to the question for this reason: That when I left the committee and went up to my accountant's office to talk on some business, among some of the questions that I told him I had answered before the committee was, "Have you ever been in business with Angelo Mele?" Well, he said, "Let me refresh your memory. Back in about 1935 or 1936, somewhere back there, up to around about 1940, I filed income tax for you and Mr. Mele and six or seven other people that were connected with the night club." And I therefore didn't know that. You see why I didn't know that I was connected with it because I was not active in this club, and according to Mr. Hamel, who is the accountant, he told me that neither was Mr. Mele active in this club.

Mr. BURLING. What is the name of the club?

Mr. RICCIARDI. Club Royale.

Mr. BURLING. Club Royale?

Mr. RICCIARDI. That is right.

Mr. HAYES. R-o-y-a-l-e.

Mr. RICCIARDI. Of course, I knew nothing about the operations of the club because I just had a share of Mr. Kelly's share, who was my

partner in the linen-supply business, and therefore I knew nothing of the operations of the club.

Senator O'CONOR. What was the extent of your holdings in the club?

Mr. RICCIARDI. Oh, about—I just don't remember. About 8 or 10 percent or maybe 12. I don't know. Something around that.

Senator TOBEY. Was this a gambling club?

Mr. RICCIARDI. It was a restaurant. They did have some gambling there, too.

Senator O'CONOR. And Angelo Mele was one of the——

Mr. RICCIARDI. Partners.

Senator O'CONOR (continuing). Partners in the club at the time?

Mr. RICCIARDI. That is right. Not active.

Senator O'CONOR. At the time of your holding of the stock, did you then know that Angelo Mele was identified with the club?

Mr. RICCIARDI. I didn't know at the time. I didn't know until Mr. Hamel, the accountant, told me he had filed the income tax for the place, and he knew at that time he was connected with it.

Senator O'CONOR. What benefits did you derive from the stock that you held?

Mr. RICCIARDI. I just don't remember that. Not very much.

Mr. HAYES. Did you file income tax?

Mr. RICCIARDI. Yes; I did file income tax.

Senator O'CONOR. Mr. Burling.

Mr. BURLING. You filed a partnership income-tax return, didn't you?

Mr. RICCIARDI. I don't know how it was filed.

Mr. BURLING. You didn't own stock, did you?

Mr. RICCIARDI. No. I had part of Mr. Kelly's share.

Mr. BURLING. You were a partner of Angelo Mele's, isn't that correct?

Mr. RICCIARDI. If that makes me a partner, I was, sir, but I didn't know at the time I answered that question.

Mr. BURLING. You don't bother to find out who your partners are when you go into a business?

Mr. RICCIARDI. I had nothing to do with the club because I had a share. Mr. Kelly was the originator of the club and he asked me if I wanted part of his share.

Mr. BURLING. And you took about a tenth interest in the club?

Mr. RICCIARDI. About that; yes, sir.

Mr. BURLING. And Mele also had an interest in the club?

Mr. RICCIARDI. Yes, sir.

Mr. BURLING. You didn't bother to find that out.

Mr. RICCIARDI. I didn't know at the time; no, sir.

Mr. BURLING. Just the same way you didn't bother to find out who it was you were charged with having murdered on five occasions?

Mr. RICCIARDI. I was arrested for murder, but I was never tried for it.

Mr. BURLING. But you were arrested on five separate occasions for murder, but you didn't bother to find out who you were charged with having murdered?

Mr. RICCIARDI. I was never charged, while——

Mr. BURLING. When you were arrested and booked in the police station on a charge of murder, that constituted a charge of having murdered someone, did it not?

Mr. RICCIARDI. Well, sir, that was the custom of the police—arresting you and putting a charge against you so they could—

Senator O'CONOR. You didn't deny it in Detroit when we asked, that you were charged with specific crimes of murder, that is to say, that you were alleged to have murdered a given person in each instance, and you knew that, did you not?

Mr. RICCIARDI. I was charged, yes; I knew that, but I had never gone to court.

Senator O'CONOR. Can you explain to this committee how it was you were charged on five separate occasions with different murders and never were brought to trial on a single one?

Mr. RICCIARDI. The only way I can answer that is that probably I just was in the wrong places and when the police came and arrested everybody, why, they would put a charge against you in order to hold you in the police station and then dismissed the charge against you after, and let you go.

Senator O'CONOR. Mr. Burling.

Mr. BURLING. Mr. Chairman, the record shows that the witness first said he couldn't recall even the arrests, and we said in Detroit it seemed inconceivable that a man could be arrested five times on a murder charge, several times for armed robbery, at least once for narcotics, and the whole thing slip his mind.

I think we could fairly say further, it is inconceivable, at least to me, that he could be a partner of Angelo Mele and not know it until this week.

I have no further questions, however.

Senator O'CONOR. Is there any further statement that you desire to make in connection with this? You heard counsel's statement in regard to the record that you have and the charges which have heretofore been preferred against you. The counsel's statement is correct, is it not, because he understood you to say in Detroit that his statement of the different offenses was a correct statement?

Mr. RICCIARDI. That was a correct statement, although I had never been tried for any of those charges.

Mr. HAYES. While Mr. Ricciardi is here there is only one other thing. I spoke to Mr. Burling at—perhaps I am trying to be over-meticulous about this, but Mr. Burling asked Mr. Ricciardi had deportation proceedings ever been instituted against him, and Mr. Ricciardi said, "No, sir." And Mr. Burling said again, "Never?" And Mr. Ricciardi said, "No."

And then Mr. Burling made a gratuitous statement on the record to the chairman, in which he said, Mr. Burling, and I quote, "Now, it is contrary to the information supplied us by the Immigration Service, Mr. Chairman."

Now Mr. Ricciardi's answer is still "No," but I suppose he should amplify it. Within your knowledge; is that right?

Mr. RICCIARDI. I do not know at any time that I was consulted about it or anything else—deportation proceedings.

Senator O'CONOR. You don't challenge the accuracy of Mr. Burling's statement, though, that the information from the immigration authorities shows otherwise?

Mr. HAYES. No; we wouldn't have any knowledge, Mr. Chairman.

Mr. RICCIARDI. To the best of my knowledge, I have never been questioned about it.

Senator O'CONOR. We understand.

Mr. HAYES. All right, Mr. Chairman, thank you.

(Following Mr. Ricciardi's testimony, the committee heard the testimony of Alfred Polizzi, Coral Gables, Fla., which is included in part 6 of the hearings of the committee; and Harry Stromberg and William Weisberg, Philadelphia, Pa., which testimony is included in part 11 of the hearings of the committee.)

(The hearing was adjourned at 4:45 p. m.)





# APPENDIX

## EXHIBIT No. 3

*Criminal record, Detroit Police Department, our No. 13808—Joseph Massei, F. B. I. No. 597894, M. S. B. No. 7163; alias Jim Massa; Joseph Massey*

Contributor	Name and number	Date	Charge	Disposition
P.D., Det., Mich	Joseph Massei	Mar. 24, 1920	Contempt of court	60 days Wayne Co. Jail, Sept. 1933.
Do	Joseph Massei, #13808	Aug. 11, 1921	Rob. Armed	May 25, 1926, Disch. by Supt.
Do	do	Aug. 31, 1925	Rob. Armed	Aug. 14, 1921, Disch. by Supt.
Do	do	Apr. 30, 1926	Inv. Murder	Aug. 31, 1925, Disch. by Supt.
Do	do	Oct. 13, 1927	Viol. U.S. Code	May 1, 1926, Disch. by Supt.
Do	do	Feb. 3, 1933	Viol. Prob. Law	Oct. 14, 1927, TOT U.S. Alch. Tax Unit.
S.O., Det., Mich	Joseph Massei, #19500	Feb. 7, 1933	Murder	May 15, 1934, Dism. by Court.
P.D., Det., Mich	Joseph Massei, #13808	June 21, 1933	Murder	May 15, 1934, Dism. by Court.
Do	do	Oct. 13, 1934	CCW	July 21, 1933, Dism. on Exam.
Do	do	Oct. 20, 1934	Investigation	Oct. 17, 1934, Disch. Writ.
Do	do	Oct. 22, 1935	Pol. Wit.	Oct. 25, 1934, Disch. Writ.
P.D., Miami Beach, Fla.	Joseph Massei, #1044	Apr. 2, 1935	Inv. Gangster	Apr. 22, 1935, Disch. By Supt.
Do	Joseph Massei, #1697	Jan. 4, 1937	Criminal Regist.	Jan. 4, 1937, Dism.
Do	Joseph Massei, #1697	Feb. 11, 1940	Vag. by Loft.	Mar. 1, 1940, Dism.
P.D., Det., Mich.	Joseph Massei, #13808	Aug. 5, 1943	Inv. Consp. to Viol. State Gamb. Law	Aug. 9, 1943, Disch. Writ.

## EXHIBIT No. 4

*Criminal record, Detroit Police Department, our No. 30787—Pete Licavoli (white)—F. B. I. 237021; M. S. B. No. 52528; alias Peter Licavoli, Peter Novari, Peter Little*

Contributor	Name and number	Date	Charge	Disposition
PD, St. Louis, Mo.	Pete Licavoli.	Sept. 5, 1922	Robbery.	Sept. 8, 1922, disch.
Do.	do.	Jan. 19, 1926	Robbery.	Disch.
DP, Det., Mich.	Pete Licavoli, #30787.	Sept. 8, 1927	R. A.	Sept. 10, 1927, dis. on writ.
PD, St. Louis, Mo.	Pete Licavoli.	Mar. 20, 1927	Vio. Volstead Act.	Apr. 16, 1927 dis. by US Ct.
PD, Det., Mich.	Pete Licavoli, #30787.	Oct. 26, 1927	Kidnapping.	Oct. 27, 1927 dis. by supt.
Do.	do.	Jan. 16, 1928	Vio. St. Proh. Law	Disch by supt.
Do.	do.	Mar. 21, 1928	CCW.	Mar. 25, 1928, \$200 or 90 days DHC.
Do.	do.	July 19, 1928	Murder.	July 21, 1928 dis. on writ.
Do.	do.	July 21, 1928	R. A.	July 23, 1928 dis. on writ.
Do.	do.	Apr. 29, 1929	Kidnapping.	Dis by supt.
Do.	do.	May 12, 1929	Inv. Diso. Person.	Dis by supt.
Mich. SPOL	Pete Licavoli.	Sept. 6, 1929	Investigation.	Disch.
PD Det., Mich.	Pete Licavoli, #30787.	Jan. 6, 1930	Inv. Diso. Person.	Jan. 6, 1930, dis. by supt.
PD Toledo, O.	Pete Licavoli, #2312.	Oct. 2, 1931	Fugitive.	TOT PD Det., Mich.
PD Det., Mich.	Pete Licavoli, #30787.	Oct. 2, 1931	Murder.	Mar. 9, 1932, not guilty.
USAI Det., Mich.	Pete Licavoli, #2876.	Dec. 3, 1931	Consp. to Vio. NPL.	
PD Det., Mich.	Pete Licavoli, #30787.	May 2, 1933	Murder.	May 16, 1934, dis. by crt.
Do.	do.	Apr. 22, 1933	Inv. Shooting.	Apr. 23, 1935, dis. on writ.
Do.	do.	June 10, 1935	Inv. Diso. Person & R. A.	Dis. by supt.
Do.	do.	Aug. 12, 1935	Att. Extortion.	Nov. 15, 1935, dis. by crt.
Do.	do.	Nov. 11, 1935	A & B.	Nov. 15, 1935, \$100 or 90 days DHC.
Do.	do.	Jan. 23, 1941	Consp. to VSGL.	Mar. 31, 1942, not guilty.
Do.	do.	Oct. 10, 1941	Inv. R. A.	Oct. 10, 1941, dis. by supt.
Do.	do.	Dec. 30, 1941	Reckless driving.	Feb. 25, 1943, dis. by crt.
Do.	do.	Aug. 27, 1946	Inv. CV SGL.	Aug. 28, 1946, dis. by supt.
Do.	do.	June 1, 1950	Inv. VSGL.	June 1, 1950, dis. no case.
Do.	do.	July 25, 1950	Inv. R. A.	July 27, 1950, dis. on writ.
Do.	do.	Jan. 13, 1951	Inv. Consp. VSLL.	



Showing . . .

# BEAUTIFUL Grace Ranch

Nestled in the scenic  
CATALINA FOOTHILLS  
12 mi. N.E. of Tucson

APPROXIMATELY 75 ACRES

Comprising of:

**MAIN HOUSE:** Eleven Private Guest Rooms, Two Large Sun Decks, Large Dining Room and Lounge, Fully Equipped Restaurant-size Kitchen, Storeroom, Modernly Equipped Laundry and Linen Room, Help's Quarters, Three Large Dirt Reservoirs, Five Wells, New Aluminum 20 x 50 Hay Barn, Fully Equipped Workshop, Corrals, Stables, Tack Room, 1/4 mi. Fenced-in Exercise Track. Plenty of well-irrigated land for pasture.



EXERCISE TRACK



MAIN HOUSE and PATIO  
COMPLETELY FURNISHED

Two Extra Large Bedrooms  
Spacious Living Room  
Sun Porch — Service Porch  
Large Kitchen — Tiled Bathroom

Fully Flagstoned Patio  
Large Stone Barbecue Pit  
with Sink and Slab Table



MAIN HOUSE - LIVING ROOM



MAIN HOUSE - MASTER BEDROOM





DINING ROOM  
Fully Furnished and Equipped  
Lounge in East End

KITCHEN  
Fully Equipped

STOVE ROOM  
Large Refrigerator  
Two Deep Freeze Cabinets



GUEST BEDROOM - SITTING ROOM



GUEST BATH ROOM and DRESSING END

FIFTEEN GUEST ROOMS  
BEAUTIFULLY FURNISHED

Pete Licavoli's Dude Ranch

*For Sale*

GRACE



RANCH

ROUTE 2 BOX 940

TUCSON ARIZONA

SHOWN BY APPOINTMENT

In the Heart of Dude-Land

Docket No. .... PRIVATE OR GUEST RANCH  
..... (READY AND TO GO) .....

EXHIBIT No. ....  
.....  
.....

Date .....

Reporter .....



CORRALS

ADDRESS ALL INQUIRIES

V TRONOLONE

239 North Church Street Tucson, Arizona

EXHIBIT No. 5



Home of Pete Licavoli.

EXHIBIT No. 7  
Criminal record, Detroit Police Department, our No. 37496—Joe Bommarito, alias Joe Bommarito

Contributor	Name and number	Date	Charge	Disposition
PD, St. Louis, Missouri	Joe Bommarito, #37496	Aug. 26, 1925	Susp. Robb., Armed.	Rel.
Do	do	Jan. 18, 1926	Robbery	Rel.
Do	do	Feb. 19, 1926	Att. Robbery	Rel.
Do	do	Nov. 9, 1926	CCW	Found guilty, case appealed.
Do	do	Sep. 14, 1927	Murder	Rel.
Do	do	Feb. 2, 1928	Susp of Murder	Rel.
Do	do	Mar. 26, 1927	CCW	Nolle Pros.
Do	do	Feb. 11, 1928	CCW	Case of Nov. 9, 1926, conv. upheld sent to serve 2 yrs. Missouri St. Pen.
Do	do	June 4, 1929	Viol. US Traffic Act	Discharged.
Do	do	Jan. 3, 1930	Dis. Pers. Inv.	Discharged.
Do	do	Jan. 21, 1930	Investigation	Discharged.
Do	do	Dec. 5, 1930	Dis. pers. inv.	Discharged.
Do	do	Aug. 30, 1929	Interference	Dismissed.
Do	do	Dec. 11, 1929	Murder	TOT, US Proh. Agent.
Do	do	Feb. 6, 1932	US Proh.	TOT, Dearborn, Michigan.
Do	do	July 8, 1932	Fugitive	Discharged.
Do	do	June 3, 1933	Investigation	90 days DHC.
Do	do	Sep. 11, 1933	Public Enemy Act	TOT, US Marshal.
Do	do	Sep. 20, 1933	US Code	Discharged.
Do	do	Dec. 13, 1933	Investigation	Discharged.
Do	do	Oct. 15, 1933	Dis. Person Inv.	Dismissed.
Do	do	Sep. 5, 1935	Att. Extortion by threat	\$100 or 90 days.
Do	do	Nov. 15, 1935	A & B	Reg.
Do	do	Nov. 26, 1937	Crim. Reg.	June 13, 1947, dis. on exam.
Do	do	Mar. 14, 1941	Consp. to Biol. G. L.	June 13, 1947, dis. on writ.
Do	do	June 10, 1947	Inv. Consp. VSGL	Mar. 9, 1948, dis. on writ.
Do	do	Mar. 9, 1948	Investigation	July 22, 1948, dis. no case.
Do	do	July 20, 1948	Inv. R. A	Apr. 4, 1950, dis. no case.
Do	do	Apr. 5, 1950	Inv. VSGL	Apr. 24, 1950, dis. no case.
Do	do	Apr. 24, 1950	Inv. VSGL	July 27, 1950, dis. on writ.
Do	do	July 25, 1950	Inv. R. A	
PD, Miami, Fla.	Joe Bommarito, #CR-110			
PD, Det., Mich.	Joe Bommarito, #37496			



## EXHIBIT No. 8

*Criminal record, Detroit Police Department, our No. 29317—Joseph Bommarito (white), F. B. I. No. 563534, M. S. B. No. 86959, alias Jack Luckas, Long Joe Bommarito, Joe Russo*

Contributor	Name and number	Date	Charge	Disposition
P.D., Det., Mich	Joseph Bommarito, #29317	Feb. 10, 1927	Rob., Armed	Dis. by Supt.
Do	do	Mar. 9, 1927	Vio. US Tariff Act	Mar. 16, 1927, nolle prossed.
Do	do	Sept. 1, 1927	Robb., Armed	Sept. 6, 1927, dis. by Supt.
Do	do	Oct. 11, 1927	Kidnapping	Oct. 14, 1927, dis. on writ.
Do	do	Oct. 18, 1927	Robb., Armed	Oct. 21, 1927, dis. by Supt.
Do	do	Aug. 17, 1928	Fugitive, Mt. Clemens	Aug. 18, 1928, dis. by Supt.
Do	do	May 12, 1929	Kidnapping	May 15, 1929, dis. in Court.
Do	do	May 8, 1930	DPI	Dis. by Supt.
U.S.M., Det., Mich	Jack Luckas, #429	June 23, 1930	NPA	Dis. by Supt.
P.D., Det., Mich	Joseph Bommarito, #29317	July 25, 1930	DPI	Dis. by Supt.
Do	do	Feb. 5, 1932	DPI	Dis. by Supt.
Do	do	Apr. 8, 1932	Invest.	Dis. by Supt.
S.P.U., Det., Mich	Joe Russo, #D 785	Apr. 18, 1932	Nat. Proh. Act	Dis. by Supt.
U.S.M., Det., Mich	Joe Russo, #3580	Apr. 19, 1932	Nat'l Proh. Act	Dis. by Supt.
P.D., Det., Mich	Joseph Bommarito, #29317	Sept. 15, 1933	Invest.	Dis. by Supt.
Do	do	Nov. 9, 1934	Invest.	Dis. by Supt.
Do	do	Feb. 17, 1935	M & O	Mar. 20, 1935, Sent. Susp.
Do	do	Apr. 25, 1938	Invest.	Dis. by Supt.
Do	do	Feb. 20, 1940	Inv. Policy oper	Feb. 20, 1940, dis. by Supt.
Do	do	May 28, 1940	M & O Gamb. Law	\$15 or 15 das, DHC.
Do	do	Aug. 8, 1940	Vio. Gamb. Law	Oct. 30, 1940, \$15 or 15 das.
Do	do	Sept. 30, 1940	Consp. Gamb. Law	Dec. 9, 1942, 1-5 yrs. JSPr.
SPr. Jackson, Mich	Joe Bommarito, #59372-J	Dec. 9, 1942	Consp. Viol. Gamb. Law (RC Detroit)	1-5 yrs.; Feb. 10, 1945, rel. on Crt.; Order. Ret. w/new sent. as #60218-J to run concur. w/#49372-J.
P.D., Det., Mich	Joseph Bommarito, #29317	Mar. 22, 1941	Inv. Rob. Armed	Mar. 22, 1941, disch.
Do	do	Aug. 4, 1942	Inv. Cons. VSGL	Aug. 4, 1942, disch.
Do	do	June 11, 1943	Consp. Vio. Gamb. Law	May 11, 1945, 1½-5 yrs. JSPr.
Do	do	Jan. 8, 1944	Poss Gamb. Para	Sept. 6, 1944, dis. in Court.
SPr., Jackson, Mich	Joseph Bommarito, #60218-J	May 11, 1945 <sup>2</sup>	Consp. Vio. Gamb. Law (RC Detroit)	1½-5 yrs.; Oct. 7, 1945, dis. to continue serving #60218; Dec. 13, 1946, par. to Det.; Mar. 10, 1948, Warr.; Mar. 12, 1948, Ret.; Nov. 8, 1949, disch.
P.D., Det., Mich	Joseph Bommarito, #29317	Mar. 9, 1948	Invest.	Mar. 12, 1948, Ret. to JSPr. as Par. Vio.
Do	do	Jan. 5, 1950	Vio. St. Gamb. Law (9 cases)	Sept. 25, 1950, 6 mos. to 1 yr. (Both cts. to run concup)
Do	do	Mar. 6, 1950	Inv. Att. Murder	Mar. 8, 1950, dis., no case.
Do	do	Apr. 17, 1950	Inv. VSGL	Apr. 17, 1950, dis. on writ.
DHC, Plymouth, Mich	Joseph Bommarito, #52989-D	Sept. 25, 1950 <sup>2</sup>	Vio. St. Gamb. Law (RC Wayne Co.)	6 mos. to 1 yr.

<sup>1</sup> Sentenced Jan. 8, 1945. C. D.<sup>2</sup> Sentenced.

## EXHIBIT No. 9

[H. R. 6286, 80th Cong., 2d sess.]

## A BILL For the relief of Francesca Cammarata

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General is authorized and directed to cancel the deportation proceedings presently pending against Francesca Cammarata, and that the facts upon which such proceedings are based shall not hereafter be made the basis for deportation proceedings.*

## EXHIBIT No. 10



Residence of Santo Perrone.

EXHIBIT No. 11

<p><i>Handwritten:</i> 2-11-32</p> <p><b>SAM PERRONE</b></p>		<p><b>NO.</b></p> <p><b>961</b></p>	<p><b>720</b></p> <p><b>9-32</b></p>
<p><i>Handwritten:</i> 2-11-32</p> <p><b>PAY TO THE ORDER OF</b></p>		<p><b>Detroit, Mich.</b></p>	<p><b>19</b></p>
<p><b>PAY ROLL</b></p>			
<p><b>NATIONAL BANK OF DETROIT</b></p> <p><b>JEFFERSON-PHILIP OFFICE</b></p>		<p><b>SAM PERRONE</b></p>	
<p><b>9-32</b></p> <p><b>FORM 100-55</b></p>	<p><b>DETROIT, MICHIGAN</b></p>	<p><b>DOLLARS</b></p>	

## EXHIBIT No. 12

Name	Address	Age	Manner of entry (claimed)	Date of entry (claimed)	Date of employment	Clock No.	Place of arrest	Criminal record
Antonio Palazzolo	4489 Lillibridge	29	Detroit River	June 1949	Aug. 17, 1949	2235	Detroit	None.
Vito Manzella	12507 Corbett	32	Stowaway	February 1948	July 28, 1948	2887	do	Italy.
Michaelangelo Vitale	19231 East Outer Drive	31	Walked across border, New York.	April 1948	July 26, 1949	2065	do	None.
Michael Chirco	5702 Holcomb	30	Detroit River	March 1949	Oct. 12, 1949		do	Do.
Gino Magretti	3607 Hilger	28	Seaman	August 1944	Mar. 29, 1946	2205	do	Do.
Vincenzo Mammio	1106 Second Street Wyandotte, Mich.	31	Bridge via auto.	June 1949	Sept. 7, 1949	1927	Wyandotte	Do.
Luigi Chirco	2928 Hunt	36	Train—Detroit	March 1949	Aug. 16, 1949	1959	Detroit	Do.
Salvatore Liont	3371 East Alexandrine	33	Stowaway, Norfolk, Va.	January 1949	Oct. 3, 1949	2245	do	Do.
Giuseppe DiMaggio	6999 Pennsylvania	28	Stowaway, Philadelphia	November 1948	Nov. 9, 1949	2702	do	Italy.
Calogero D'Anna	1154 Lincoln, Wyandotte, Mich.	26	Stowaway, New York	August 1947	July 22, 1948		Monroe	None.
Paolo DiMaggio	3771 Concord	28	Stowaway—port unknown	April 1948	do		do	Do.
Giovanni Vitale	4672 Drexel	42	Stowaway, New Orleans	November 1948	Sept. 19, 1949	2345	Detroit	Do.
Michele Donato	17335 Elmhurst	48	Deserting, seaman, Baltimore, Md.	September 1948	Sept. 16, 1948	2437	do	Do.
Dominico Manzella	274 Hudson, Wyandotte	38	Auto—via tunnel	June 1949	October 1949		Wyandotte	Do.
Salvatore Iacopelli	1114 Humphrey, Monroe	37	Visitor—Texas	October 17, 1949	Nov. 9, 1949	2935	Detroit	Do.
Vito Palazzolo	3007 Huron, Pontiac	48	Stowaway, New Orleans	November 1948	May 18, 1949	2909	Pontiac	Italy.
Giuseppe Ventimiglia	4489 Lillibridge	27	Stowaway, New York	September 1949	Nov. 30, 1949	2322	Detroit	None.
Giuseppe Vitale	3423 Bewick	44	Stowaway—port unknown	June 1949	Sept. 6, 1949	1921	do	Do.
Anthony Palazzolo <sup>1</sup>	4103 Townsend	38	Stowaway, New York	April 1948	Oct. 21, 1948	2406	New Orleans	Do.
Rosario Vitale	315 Antoine, Wyandotte	30	Unknown	November 1948	Sept. 7, 1949	1968	Chicago	Unknown.

<sup>1</sup> This alien was apprehended in New Orleans, La., accompanied by one Salvatore Vitale, notorious confidence man—who is at present under a \$5,000 bond; Vitale has been arrested on charges involving narcotics and suspicion of murder.

## EXHIBIT No. 13

*Criminal record, Detroit Police Department, our No. 12997—Gaspere Perrone (white), F. B. I. No. 1023186; M. S. B. No. 213036; alias Ispano Perrone, Isbano Perronc, Jasper Perronc, Perrone Gasper*

Contributor	Name and Number	Date	Charge	Disposition
P.D., Det., Mich.....	Gaspere Perrone, #12997.	May 6, 1918	Vio. Draft Law.	May 8, 1918, dis. by supt.
Do.....	Ispano Perrone, #12997.	Jan. 12, 1920	Murder.....	disch by supt.
Do.....	Jasper Perrone, #12997.	Jan. 8, 1931	Inv. R. A.....	Jan. 9, 1931 dis. no case.
Do.....	do.....	Jan. 27, 1932	Inv. R. A.....	Jan. 28, 1931 dis. no case.
USM, Det., Mich.....	Perrone Gasper, #7952.	Dec. 6, 1935	Int. Rev. Law, Still—Liquor.	6 years USP Leavenworth, Kans.
Alcohol Tax Unit Det., Mich.	Perrone Gasper, #ME-611.	do.....	Poss. of non-tax-paid spirits.	
Fed. Det. Farm Milan, Mich.	Gaspar Perrone.....	Jan. 15, 1937	Not given.....	
USP, Leavenworth, Kans.	Gaspar Perrone, #50553.	Feb. 19, 1937	Int. Rev. Consp.	6 years, May 17, 1939, paroled.
USM, Det., Mich.....	Gaspar Perrone, #8837.	Dec. 15, 1937	Int. Rev. Law.	
P.D., Det., Mich.....	Jasper Perrone, #12997.	Oct. 31, 1942	Vio. U. S. Code, Code.	Nov. 2, 1942 TOT USM.
USM, Det., Mich.....	Jasper Perrone.....	do.....	Vio. U. S. Code.	

## EXHIBIT No. 14

STATEMENT TAKEN AT 1974 NATIONAL BANK BUILDING, IN THE CITY OF DETROIT, MICH., ON TUESDAY, JUNE 25, 1946, COMMENCING AT 6:55 P. M.

By: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Present: Detective Albert DeLamielleure, special investigation squad; Detective Elroy Benn, grand jury investigator.

Reported by: Margaret Cameron, reporter.

In re: *Alleged Assault of Kenneth Morris, Roy Snowden, et al.*

## STATEMENT OF GRADY WOODSON

Question by Mr. GARBER as follows:

Q. Your name is Grady Woodson?—A. Yes, sir.

Q. Where do you live?—A. 4748 Trumbull Avenue (2740 Elmwood, Apartment 19).

Q. And you are employed by whom?—A. Briggs.

Q. How long have you been employed at Briggs?—A. It will be eleven years in October.

Q. And are you a member of Local 212?—A. That's right.

Q. Do you know Fay Taylor?—A. Yes, sir.

Q. How long have you known him?—A. Well, I have known him I guess practically ever since I have been there—seven or eight years anyway, probably. I didn't know him the first year I was there.

Q. He is personnel man in the Briggs?—A. Yes, sir.

Q. Did you ever go to one of the Detroit hotels where Fay Taylor was?—A. No.

Q. Do you know anything about Fay Taylor being a member of the Ku Klux Klan?—A. No.

Q. Do you know anything about him being a member of the Black Legion?—A. No, I don't. I couldn't say that. I never see him at any meetings.

Q. Are you a member of the Ku Klux Klan?—A. I was at one time.

Q. Did you ever give the information to one of the men when they were negotiating contracts with Mr. Fay Taylor, to ask him if he rode a white horse and carried two guns?—A. I said in front of Fay Taylor one time, yes.

Q. What does that mean? Is that a password or was that a password?—A. I don't know if it is or not.

Q. Was it when you belonged?—A. It was told to me when I went in to get a job to say that to him, that it was a password they had.

Q. Do you know Charlie Spare?—A. Yes.

Q. How long have you known Charlie?—A. I don't remember, but I know him—I knowed him for a year or two there, back before the war.

Q. Charlie was interested in the Ku Klux Klan, wasn't he?—A. I think he was.

Q. You know he was, don't you?—A. Pretty much so.

Q. You know—who told you to use that expression when you went to get a job?—A. Harvey Hanson.

Q. Who is Harvey Hanson?—A. All I know about him, he's supposed to be some kind of helper, officer in the Klan, all I know. I don't know much about the man.

Q. You got that expression from someone in the Klan, to use that expression with Fay Taylor?—A. Yes, sir.

Judge MURPHY. Where do you come from?

The WITNESS. Tennessee.

Judge MURPHY. What part?

The WITNESS. Murphysboro.

Judge MURPHY. How long have you been up here?

The WITNESS. Off and on for 20 years.

Judge MURPHY. Where did you join the Klan?

The WITNESS. I believe in 1938—maybe 1938, I think. I was in there for a short while and I got out of it.

Judge MURPHY. Did you join it in Detroit?

The WITNESS. Yes.

Judge MURPHY. Where?

The WITNESS. Down on 82 Forest, I believe it was West Forest I believe it was.

By Mr. GARBNER:

Q. That's where the Klan still is?—A. I don't know.

Q. How long since you have been down there?—A. I haven't been there for five or six years.

Q. Is the Klan still there?—A. I heard it was.

Judge MURPHY. What did you get out of it for?

The WITNESS. What?

Judge MURPHY. Why did you leave it?

The WITNESS. I just didn't like it, is why I left it. I just didn't like it after I got in it. There was several guys at Briggs in it kept wanting me to go over and join, and they made me chairman of the Briggs units, and I joined it more or less to get support. I guess, in the union, I suppose, is why I joined it. I don't know for no other reason.

By Mr. GARBNER:

Q. Was Briggs organized at the time you joined the Klan?—A. Yes.

Q. Was it being organized or had it already been?—A. We was already organized in the union at that time.

Q. You belonged to local 212 at that time?—A. I was, yes.

Q. After that you joined the Klan?—A. Yes.

Q. Then you became a steward?—A. Yes.

Q. And the fellows in the Klan said, "if you come along, join the Klan, we will help you be steward."—A. Yes.

Q. That's why you joined?—A. Yes.

Q. You being from Tennessee it wasn't too hard to do?—A. No, it wasn't in my department that time, not too many this time.

Q. I have been down in that country. Joining the Klan isn't too serious.—A. I never heard of it where I came from—never knew anything about it.

Q. Who were some of these fellows who promoted you after you joined the Klan, are they still employed there?—A. I know some of them, but as far as I know, the ones I know there are all out of it. They don't have no more to do with it as far as I know.

Q. You took an oath you never belonged to the Klan. You were given this little signal to pass on to Fay Taylor, head of the Personnel by the Klan, that is, "do you ride a white horse and carry two guns."—A. I don't think they used that in the Klan. I think it's in some other organization.

Q. It wasn't the Black Legion?—A. No.

Q. Do you belong to the Black Legion?—A. No.

Q. How many organizations do you belong to?—A. Local 212.

Q. You did belong to the Klan. Did you belong to the Legion?—A. No.

Q. Where did this thing come from. "Do you ride a white horse and carry two guns", and that that was going to help you with Fay Taylor?—A. If I get it right, and I could be mistaken, if I get it right, this fellow told me it was

a Black Legion password. If I am right, I wouldn't say I am right—as well as I remember that's what he told me, and if I want a job to use it in the office, but I didn't get nowhere with it.

Q. Did you use it?—A. Yes, I used it.

Q. How did you use it? How did it come about?—A. Well, I was in there asking him for a job.

Q. Were you working at that time? A. Yes, this was at the time—just about the end of 1942 production of cars, I believe it was, and I did go in there. He was pretty friendly with me in those times. He isn't any more. He's been pretty sore at me for a while now.

Q. What did you do?—A. Well, he didn't call me back when I should when I get laid off.

Q. Well, what did you do that brought about that change? You and he were real friendly; now you aren't any more. What brought that about?—A. Well, I don't have anything against the man personally, myself, although he made me lose quite a bit of money when he didn't call me back. This fellow told me, if you want to get a job—I was attempting to get a job in the Roosevelt plant, I think the day before I got laid off. When I asked him, did a man have to ride a white horse and carry a couple of guns, in order to get a job, he looked down at the table, got up, went in the other room and came back.

Q. Did he seem perturbed?—A. No. He said, "I will let you know." He never let me know.

Q. Who is this man that told you to use that?—Harvy Hanson.

Q. Is he still out there?—A. He never was out there.

Q. Where did he come from? Where did you meet him?—A. He was also in the Klan.

Q. This was back in 1942?—A. It was some time before that he told me to use it. I never did use it till that time and I never used it since.

Q. Did you ever tell anybody you have got in a safety box or safe place, proof, documents to prove that Fay Taylor belonged to either the Black Legion or Ku Klux Klan?—A. No.

Q. Have you such documents?—A. No.

Q. Have you such proof?—A. No.

Q. Are you sure now?—A. No. I never did say he belonged to any organization.

Q. All right, you say that, but have you any proof he did?—A. No, I have no proof of him belonging to anything. No, I do not.

Q. But this known Klansman, this party known to you as a Klansman told you to use that expression to Fay Taylor?—A. Yes.

Q. And you did?—A. Yes, I did.

Q. And it perturbed him enough so he got up from his desk, went in the other room, came back, and said he would let you know?—A. He did.

Q. And he has been off you ever since?—A. He hasn't had much to do with me ever since.

Q. Do you know of any meeting, or were you at any meeting in any Detroit hotel where Fay Taylor was present?—A. No, sir.

Q. And someone in the next room took down notes of that meeting?—A. No. If he was there, I didn't know it.

Q. Were you at such a meeting where somebody took down notes of what happened at a meeting?—A. No.

Q. Did you tell anybody that?—A. No.

Q. Are you sure now?—A. Yes.

Q. You read the headlines about Stringari being in jail for contempt of court?—A. Yes, I read it last night.

Q. There's the grand juror sitting right there. Keep that in mind. Did you make such a statement?—A. I never made any statement Fay Taylor was in any hotel, any place, because I never seen Fay Taylor out any place except the shop.

Q. Well, do you know of any such meeting where he was there, a Klan meeting or Black Legion meeting, or whether you saw him or not, where you knew he was there and someone made notes?—A. No.

Q. Do you know anything about such an affair?—A. No, I never knew him being at any meeting I was at. If he was there, I didn't know it. No, I didn't know that.

Q. Do you know anything about these beatings?—A. No, sir, I do not.

Q. Are you still a steward?—A. Yes, sir. I have been a steward ever since 1939.

Q. And you are still a steward?—A. Yes.

Q. You are still in good standing with the union?—A. That's right.

Q. Can you give any reason why five beatings took place within the last two years, very similar beatings, near their homes, and so forth?—A. No, I can't answer that I do.

Q. Have you any opinion on it?—A. When Roy Snowden got beat up, I just thought probably he got drunk and had a fight or something. This other Ken Morris, he's a pretty nice fellow, and he didn't take no action in the union election at all this time on either side. I was in one group, on one slate. I tried to get him to support our slate. He didn't support any slate that I know of. I couldn't figure out why.

Q. Have you heard any rumors about these beatings, why these beatings took place?—A. I guess they have talked in the shop, this guy down at the shop, you can hear all kinds of rumors, I don't remember much what was said.

Q. Who were some of the guys that were supposed to have done it?—A. Well, you can hear in the shop most anything.

Q. Did you ever hear Mel Bishop had anything to do with it?—A. No. Everybody was wondering who did it. As far as I know, nobody gave an opinion who done it.

Q. Do you know the names that were mentioned?—A. Nobody had no idea who done it to this kid.

Q. Did you ever hear the Klan had anything to do with it?—A. No.

Q. The Black Legion?—A. No.

Q. Who are some of these fellows that said, if you join the Klan you will get to be steward, and they voted for you?—A. They didn't come out and say that they would. They just say they would put me in as chief steward.

Q. Who were some that induced you to join the Klan?—A. Well, I believe Jesse Taylor was one of them that asked me to join.

Q. Who?—A. Jesse Taylor.

Q. What does he do?—A. I haven't seen him since he went to the army in 1942, when he left. I haven't seen him since. We went down on automobiles in 1942.

Q. Who else?—A. I don't remember now.

Q. Who took you over to the Klan? You didn't just walk over and join.—A. No; there were two Ponder boys.

Q. Ponda?—A. Ponder; I think it's spelled P-o-n-d-e-r.

Q. Brothers?—A. Yes.

Q. Are they from down south?—A. Yes.

Q. Where do they live?—A. I don't know.

Q. Are they still at the plant?—A. I don't know if they are or not. Well, there's one of them at the plant, but he wasn't the one. There's about five or six of those boys.

Q. Who else do you remember that was in this?—A. I don't remember now. In fact, there's quite a few guys there you know their faces, but I never did know their names. A lot of them I worked with ten years, I couldn't give their names right now. I talked to them every day and still don't know their last names.

Q. What were their first names, some of the boys that talked to you about the Klan?—A. Well, there was quite a few Briggs workers in the organization.

Q. In 1942?—A. Well, before 1942. I quit going to meetings before that.

Q. Did you ever see Charlie Spare around Briggs?—A. No; I never did see him around Briggs.

Q. Where did you get acquainted with him?—A. At Forest Avenue, over there.

Q. Did any of these boys that belong to the Ku Klux Klan ever tell you to oppose the union in any way, do anything to injure it, block it in any way?—A. Well, I don't think—the reason I got out of the union, I thought Harvey Hanson—

Q. You mean the Klan. You said the union.—A. The Klan, yes—the reason I got out of it, he was running the Klan, and it seemed he opposed anybody that's union, as far as that's concerned. He wanted the people active in the union—he didn't care too much for them, you know.

Q. Was there ever any suggestions that he's starting any difficulty over there, or use any rough tactics against the union?—A. No; as far as I know, they wanted everything peaceful. They didn't try any rough stuff, as far as I know.

Q. The Klan didn't advise that?—A. Not to me, no.



Q. Did you ever hear them mention Fay Taylor in the Klan's organizations?—A. Well, he called him "the old man." He didn't ever mention his name. He said, "I will call up the old man." I was at his office, and he called Fay Taylor.

Q. Who called?—A. Harvey Hanson called Fay Taylor.

Q. He was a Klansman?—A. I don't mean to say he called him as a Klansman. He called him on business.

Q. He knew him—he meant Fay Taylor, is that right?—A. He called him "the old man," that's right.

Q. Well, what did they talk about?—A. Harvey Hanson was supposed to have some job through Fay Taylor in the Klan, so he could place men in different plants in the city. He did a pretty good job of it.

Q. Hanson called Fay Taylor and recommended you for a job?—A. No; he didn't recommend me for a job. You were speaking about something was locked up, some papers or something. That might come in when we was speaking about—I have spoke about something about that myself. Mel Bishop and Whitey Kosmalski was putting people to work out there.

Q. Let's get that again.—A. Whitey Kosmalski was working with Mel Bishop. He was International Regional Director. They were placing people in different plants at Briggs, for a political machine.

Q. Klansmen?—A. No.

Q. But they were placing people in key spots?—A. Yes. Now, Hanson, I asked him, "you're supposed to be so good, why can't you place the men you have in the organization here. What's the matter you can't do the same thing?" He said, "I can't?" So he had me come over to his office, and we sat there, drank nearly a quart of whiskey, the two of us did, and he called Fay Taylor—at least that's who he said he was calling. I don't know who was on the other end of the line. Fay Taylor wouldn't give any answer, and he called somebody over Fay Taylor. He called two or three guys.

Q. At the plant?—A. I don't know if he called anybody at the plant or not, but he called somebody that could tell Fay Taylor what to do. Fay Taylor called him. He said to me, "Give me 15 or 20 men and I will put them in the Outer Drive plant today." So I did give him a bunch of names.

Q. These fellows whose names you gave him, were they Ku Klux Klan?—A. Yes. He told me to meet him over at the hall. I met him over at the hall to go over the files with him, and he told me to pick all fellows in my department.

Q. Who did you go over there with? What hall do you mean, the Ku Klux Hall on Forest?—A. Yes.

Q. And who went over there with you?—A. I went by myself and met him.

Q. Who?—A. Harvey Hanson.

Q. And you picked out 15 or 20 men in your department?—A. I think I picked out more than that. He told me to look through the files—they had a box of files—and pick out men in my department. I just picked them out as I come to them—I don't know the names—the ones with 371 put them on a slip and have them all sent over to our department.

Q. Did you get sent over there, too?—A. No, I wanted to go, but I didn't get to go.

Q. The others got to go?—A. Yes.

Q. You didn't get to go?—A. No.

Q. Why?—A. I don't know. When I got out of the Klan, he didn't seem to care whether I went or not, I suppose. It was about that time when I got out of there.

Q. What was the idea of these men being transferred? What was the idea in back of it?—A. Well, there's three or four groups—two or three groups in the union, and everybody was trying to get their group elected. It's the worst local, I guess, in the United States.

Q. Is their proposition to beat Mel Bishop?—A. Well, Whitey Kosmalski, Tony Czerwinski and myself, and Frankie Kowacki, we were teamed up in a group together.

Q. Who were you fighting?—A. Getting groups together, having Mel Bishop put them in the Outer Drive plant. That's where I got so much dope. He was working with Taylor, sending men over there, with the union, according to seniority, and I turned it over to the president of our local.

Q. Mel Bishop was working with Taylor on some behind-the-scene deals?—A. Yes.

Q. And your group—A. It wasn't the Klan, though.

Q. Your group, this Kosmalski and the rest of them were working, trying to get certain men put over there; Taylor and Mel Bishop were going behind you, sending their men over there, is that right?—A. It ain't exactly right, not exactly like that.

Q. All right, what was it?—A. Because Kosmalski was Bishop's right-hand man, and we were together trying to get men sent over according to seniority, and some men we would pick out to send would never get there, and I went to this guy—

Q. "This guy," you mean—A. Harvey Hanson.

Q. And you said you weren't able to get it done, why couldn't you do it; is that it?—A. I asked him—he told me how good he sits with Fay Taylor, I told him, "If you stand so good, why can't you get these men sent over there?" He said, "I can." He had me come to his office the next day. He had about 100 sent over altogether.

Q. Why did everybody want to get over there?—A. If they got over there this way, they didn't have to go to school at 50 cents an hour to learn the trade. The company would break you in, pay regular wages.

Q. You mean; if the Klan got you sent over there, you didn't have to go to school at 50 cents an hour?—A. Once Bishop sent you over, you didn't have to go to school.

Q. Either Bishop or the Klan sent you over; you got in it full wages?—A. Yes. I did this myself, if you get what I mean. I did this long enough till I got the dope and took it in and give it to the local union president, in order to stop this, so people could go according to seniority. Joe Ferris, he has signed the statement I made. He was the notary. I have sworn to that. They took it to the International Board to try to throw Bishop off the International, but they had an argument on the board and dispersed the whole thing. They never could do anything about it.

Q. Bishop was defeated after that?—A. No; he won.

Q. What year did this happen, all this we are talking about?—A. This was in 1942.

Q. 1942?—A. I believe—I know it was 1942—because that was why I was out of work five months that year.

Q. Have you had anybody approach you to rejoin the Klan lately?—A. No; I haven't. It's been quite a while.

Q. How long?—A. It was when I was working on the tanks over there, I think. I guess it would be a year ago.

Q. About a year ago. Do you think there are still certain members of the Klan still intermingled through that Briggs plant?—A. I don't think so. A lot of these guys know me; I don't know them, because they did make me chairman over there of all the Briggs units.

Q. Chairman, where?—A. Chairman of the Briggs group. They had a set-up, a group in every plant, and a chairman for each plant.

Q. You were chairman in the Briggs plant?—A. That's right.

Q. How long were you chairman?—A. Till I got out.

Q. When did you actually get out?—A. Well, it was the 29th of January, I think, 1942, when the plants went down. It was some time before that.

Q. How did you get out, resign?—A. Just quit going—never went to any meetings.

Q. Quit paying your dues?—A. That's right.

Q. But within the last year, about a year ago, you were asked to come back in again?—A. About a year ago, I think the Klan was out in the country someplace; I think this guy was from—I don't know the guy—but he was working on the tanks at that time. He knew me, but it seemed like it was out by Romeo somewhere—I don't just know where it was; Macomb County, I believe it was.

Q. Now, did these union-promoted men buck the other fellows; that is, you know, did they all stick together and try to promote their own leaders, and so forth?—A. Each group did; that was the trouble.

Q. Well, when you were the chairman of the Briggs, and in the Ku Klux Klan, you had certain fellows there you knew who they were; didn't you?—A. Yes.

Q. And you, in turn, kept them informed so they all stuck together for a certain man?—A. That's right.

Q. Were you for Mel Bishop or against him?—A. I was against him. I was against him at the time I was with him.

Q. In other words, you were with his group, but at the same time you were working with the Ku Klux Klan?—A. That's right. I was undermining both of them, if you want the truth of it, the Ku Klux Klan and Mel Bishop.

Q. Who were you pushing for?—A. I was for McDonald—Gordon McDonald.

Q. Do you think these beatings are any hangover from the old Klan set-up—  
A. I don't know; I don't think so. I don't believe it is. I don't think they are even together enough to do anything, if you want my honest opinion about it.

Q. How many members were in that Briggs plant?—A. Enough to throw an election in 212. I wouldn't know how many.

Q. Three hundred, five hundred, one thousand?—A. That's something nobody knew but the office.

Q. You knew?—A. No; nobody knew. That's a secret they kept. I don't think they had as many as they made out they had.

Q. There were supposed to be enough to throw an election.—A. You take eight or ten men in each department, it has a lot of influence on an election.

Q. If they do a lot of talking and working?—A. That's right.

Q. Is that the way they kept them organized, eight or ten men in each department?—A. As far as I know, there's no organization organizing in any department right now.

Q. No; I am talking about the Klan deal. Is that the way they operate, put eight or ten men in each department, and those men are supposed to get out and talk and sway as many men as possible to vote their way?—A. That's right.

Q. That's their plan of organization?—A. That's the way I got it.

Q. You were chairman?—A. I was chairman. All I did was take orders from Hanson. That's why I got out, because, if anybody voted, he would tell you who to vote for.

Q. You were dominated by the orders of the Klan?—A. I got out because they were giving orders who to vote for. He didn't work there. That's why I got out.

Q. How long since you have seen Hanson?—A. I haven't seen him in quite a while.

Q. Do you know where he lives?—A. No. I know where he did live.

Q. Where did he live?—A. I can't tell you the number of the house, but it's on the Boulevard after you pass Packards, in a yellow brick.

Q. It's where?—A. Maybe it's 1315 or 15 something; it's the other side of Packards, after you turn the corner going to Belle Isle on the far side of the street there. It's a yellow brick, right on the corner.

Q. You mean it is on the East Grand Boulevard?—A. Yes.

Q. Just after you turn—after you go by Packards, going to Belle Isle?—A. Yes.

Q. Which side of the street is it on?—A. On the left just after you make the turn. It's a big building. I think his wife owned the building. She was a married woman, and she owned that place.

Q. A yellow building?—A. Yes.

Q. What is it, an apartment house or two flat?—A. Two family and there's an apartment in the basement.

Q. He had the apartment in the basement?—A. No, the main floor.

Q. The first floor?—A. But I was told he was up in northern Michigan running a beer garden now. I don't know. I heard he was.

Q. What office did this Hanson hold in the Ku Klux Klan?—A. I can't even pronounce those. Once of them was kleagle.

Q. Was he a kleagle?—A. I don't know what he was. He was in there for the Manufacturers Association, I think. I think that was his job.

Q. You mean the Manufacturers Association?—A. I think it is. I think so. I am not sure. But that's the way it looked to me. Anyway, he introduced me to some guy from Chicago that came to his house, was the president—what's the guy's name—the president of the Manufacturers Association?

Q. It wasn't John Lovett?—A. Yes.

Q. Was John Lovett there?—A. Yes.

Q. Did you meet John Lovett at this guy's house?—A. He told me who it was. He had a wreck that day; his car was being fixed. He was at his house. He told me that's who it was.

Q. Do you know anything about the salvage set-up at Briggs?—A. Which?

Q. Who buys the salvage or anything at Briggs?—A. No; I don't.

Q. Do you know whether there's any of those factions, either the Ku Klux Klan or Black Legion, or anything, that are still sort of operating in the departments there?—A. I don't think they are any more at all. I don't think they are.

Q. What sales talk did you get to rejoin a year ago when you were approached?—A. I was just invited out to a meeting.

Q. Oh, a meeting. That meeting, though, was not a local Ku Klux Klan?—A. No.

Q. That was out near Romeo?—A. Yes.

Q. Is that man still there?—A. I don't know if he is or not. I haven't seen him since before the war was over. We was working on tanks. He was in that department then, but I don't know if he is there now or not.

Q. Do you know what that man's name is?—A. No; I don't know what his name is. I know him if I see him. I have seen him quite a few times.

Q. How did he come up to you and ask you?—A. He knew I had been in there. Being a chairman a lot of guys knew me I didn't know, I suppose.

Q. Oh, I see. When you were chairman—A. I suppose they knew my name.

Q. Did you ever carry any information back to Taylor of what went on in the meetings?—A. No, sir.

Q. Have you ever been accused of being a bird dog in there for Taylor?—A. Never, that I know of.

Q. Well, are you guilty of it?—A. No; I am not guilty.

Q. Well, you were playing both sides to the middle in 1942. Are you still?—A. I did go to Taylor to find out if he was putting anybody to work over that password. If he did, I don't know. If he did or not, he didn't put me to work.

Q. When did you pull that on him?—A. That was in 1942, I think. It was in January, a day or two before we went down on automobiles.

Q. Now, everything you have told me is the truth?—A. Pardon?

Q. You have told me the truth about what you have told me, what this girl is taking down?—A. Everything I said is true, as far as I know. If I make a statement and the date is wrong, you can get me, because I can't remember dates too well.

Q. You have told it all of your own free will, not because of any force or duress?—A. That's right.

Mr. GARBER. I think that's all.

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, February 10th, 1947.

Present: Mr. Ralph Garber, Special Assistant Attorney General.

Reported by: Margaret Cameron, Reporter.

SANTO PERRONE, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your name?—A. Santo Perrone.

Q. Where do you live, Mr. Perrone?—A. 869 Beaconsfield.

Q. How old are you?—A. 51 years old.

Q. Where were you born?—A. Italy.

Q. Italy or Sicily?—A. Sicily.

Q. And where in Sicily?—A. Alcamo.

The COURT. How do you pronounce it?

The WITNESS. Alcamo.

The COURT. How do you spell it?

The WITNESS. I can write it—say it.

The COURT. Alcamo. How near Palermo is it?

The WITNESS. About 20 miles from Palermo.

By Mr. GARBER:

Q. What month, what day were you born?—A. The 25th of December, you know.

Q. December 25th?—A. 25th, you know; Christmas month, you know.

Q. Christmas day?—A. Yes; 1895.

The COURT. On Christmas day?

The WITNESS. Yes.

The COURT. Santa Claus brought you?

The WITNESS. That's right.

The COURT. What did he do, come down the chimney?

The WITNESS. He must.

By Mr. GARBER:

Q. Have you any brothers or sisters?—A. No sister. Used to be four brothers—two die and two living.

The COURT. There is two now and one more?

The WITNESS. I got one more brother.

The COURT. That's the end of the family?

The WITNESS. That's right—no father, no mother—all dead.

By Mr. GARBER:

Q. What were your brothers' names, all of them?—A. My brothers' names, the one died now a year ago is Matthew Perrone, Melchiarre Perrone, and Gasper Perrone.

Q. What are they again?—A. Matthew, Melchiarre, Gasper, and myself, Santo Perrone.

Q. Who is the oldest?—A. Gasper is the oldest.

Q. Then you?—A. Melchiarre is older and Matthew was younger.

Q. Was Gasper older or younger than you?—A. Gasper was 2 years older.

Q. You are younger?—A. Two years younger than Gasper.

Q. When did you come to this country?—A. It must be 1912, I think.

Q. How far did you go in school?—A. I never went to school in this country.

Q. Did you ever go to school in Sicily?—A. In Sicily, yes.

Q. How far did you go?—A. I went to the third grade.

Q. And you never went to school in this country?—A. Never. I working all the time.

Q. And you came here, you think, in 1912?—A. 1912.

Q. How did you come into this country?—A. I got passport and I come in.

Q. Did you come right to this country?—A. I come right to New York—New York, come to Detroit.

Q. And you have been living in Detroit ever since?—A. Living in Detroit ever since.

Q. How did you happen to come to Detroit?—A. My brother, he come to Detroit 3 years before me, you know.

Q. Which one?—A. Gasper.

Q. So you came over here and landed in New York?—A. Landed in New York and come right to Detroit.

Q. Were you married then?—A. I was a kid, you know.

Q. How old?—A. Must be around 16 years old.

Q. Who did you live with here?—A. What?

Q. Who did you live with after you came to Detroit?—A. I went to get a room with some Italian people my father used to know in the old country. They come to this country. I got a room.

Q. What were their names?—A. I don't remember. It's a long time ago.

Q. Someone your father had known in the old country?—A. Yes.

Q. Did you ever live with Gasper?—A. Yes.

Q. When did you go to live with Gasper?—A. I was living with Gasper on McDougall Avenue.

Q. What year was that?—A. Well, I don't remember the year. I live with Gasper about 10 years on McDougall.

Q. What number on McDougall?—A. 3950.

Q. Is he still living over there?—A. No.

Q. When did he move there?—A. I move from there around 1934, 1933. I don't really remember; to Grosse Pointe.

Q. What work did you first do when you got here?—A. Detroit Stove Works.

Q. You started to work—A. I started—my first job was in Detroit Stove Works.

Q. And you are still working for Detroit Stove Works?—A. Still working for Detroit Stove Works.

Q. What did you start to do?—A. Coremaker.

Q. When you were sixteen?—A. Yes.

Q. Who hired you then?—A. Some of the men at the gate. I don't remember.

Q. When did you meet John Fry?—A. Oh, I know John Fry when he used to bring time sheets in the factory. He used to be mail boy, you know.

Q. How old was John?—A. John?

Q. Yes.—A. He was a little older than me.

Q. You are 51. How old is he, 53?—A. Must be 56, 57.

Q. He was time boy, and you were working as a coremaker?—A. Yes.

Q. You and he, you were good friends at that time?—A. Well, I used to know him, see.

Q. You knew him. So how long did you work as a coremaker?—A. I work coremaker a little better than 26, 27 years.

Q. And when did you get the salvage contract over there?—A. I got it 1934, '33—I don't remember—around that time.

Q. You got it after that strike over there, didn't you?—A. No. I don't remember if I got it after or before.

Q. Well, you got it after that strike, didn't you?—A. What strike?

The COURT. Think hard.

By Mr. GARBER:

Q. You know what strike I am talking about.—A. I ain't got anything to do with any strike.

Q. All right. When did they have the strike at the Detroit Stove Works, the MESA?—A. I don't know if it was 1934 or '33—around that.

Q. Yes. After that strike is when you got your salvage contract, was it?—A. Well, I ask them for the contract, and they give it to us.

Q. Yes, after the strike, or during the strike, or right after the strike is when they gave you the salvage contract?—A. Well, I don't remember what day they gave it to us.

Q. I am not asking the day. I am asking if you didn't get it right after the strike or during the strike.—A. I don't remember, to tell you the truth.

The COURT. You understand you are under oath?

The WITNESS. What?

The COURT. You understand you are under oath?

The WITNESS. Yes.

The COURT. Also bear in mind we know a lot of facts about what we are going to ask you.

The WITNESS. I don't know what you are going to ask. Whatever I understand, I will be glad to answer you.

The COURT. We are not going to ask you any questions unless we think we know the answers. Now, the attorney general is asking you whether you got the scrap contract during the strike or before the strike.

The WITNESS. Tell you the truth, I don't remember if I got it before or after the strike. I don't remember.

The COURT. Well, if John Fry said you got it that time, would that be right?

The WITNESS. Well, whatever John Fry say must be right, because he look on the book when I got it.

By Mr. GARBER:

Q. Did they give you the salvage that time?—A. Well, I don't remember when they give me the salvage.

Q. Did you pay for it?—A. The stuff?

Q. The salvage, yes.—A. Sure, I pay.

Q. When they gave it to you, you paid for it.—A. I pay all the time.

Q. How much did you pay when you first got it?—A. \$1, \$1.50. I don't really remember whether it was \$1 or \$1.50.

Q. You did pay something for the salvage?—A. Yes.

Q. They didn't give it to you?—A. No, they don't give it to me.

Q. Who got that contract, you and your brother or who?—A. I guess they gave it to both of us. I don't know.

Q. Which brother?—A. Gasper and I used to have.

Q. Your other brother worked there?—A. Who?

Q. Gasper works there.—A. He work there 40 years. I guess still work there.

The COURT. How about your other brother?

The WITNESS. One brother worked there, Matthew, for 10 years. He died.

The COURT. Last year?

The WITNESS. Last year. The other brother never work there. He was contractor, building homes. He was only one year in the country and died.

The COURT. He was a younger brother?

The WITNESS. After me. See, Gasper is the oldest, I am after Gasper, Melchiarre was after me and Matthew is younger.

The COURT. The third one died?

The WITNESS. The third one died.

The COURT. After one year?

The WITNESS. Yes.

The COURT. What did he die of?

The WITNESS. Appendicitis. He had operation and died.

By Mr. GARBER:

Q. So Gasper is the oldest, and then you, and the two youngest are dead.—A. Yes.

The COURT. No, the middle one—

The WITNESS. The two youngest are dead. The two older ones living.

By Mr. GARBER:

Q. That's you and Gasper?—A. Yes.

The COURT. That's right. Excuse me.

By Mr. GARBER:

Q. You got this contract and it was after you got the contract you moved away from Gasper's house?—A. No, I stay with Gasper ten years.

Q. When did you move away from Gasper's house?—A. I don't remember. I live 15 years in Grosse Pointe. That's when I moved.

Q. Well, you moved away about 1933 or '34 from Gasper's house, didn't you tell us?—A. No.

Q. When did you move away?—A. I don't really remember.

Q. When did you get married?—A. 1921.

Q. Who did you marry?—A. Ida Perrone.

Q. What's her maiden name?—A. Ida—I will write—Calcogna.

The COURT. We had better give Sam a little desk here.

The WITNESS. That's right. What can I do if I can't read or write?

By Mr. GARBER:

Q. What relation is your wife to August Gentile?—A. Uncle—he is brother of my mother-in-law.

Q. In other words, you married August Gentile's niece?—A. That's right.

Q. How old is your wife?—A. My wife must be—I am eleven years older than she is. I am 51. She must be around 41.

The COURT. How old was she when you were married?

The WITNESS. About 17, a young girl.

The COURT. You are eleven years older?

The WITNESS. Yes.

The COURT. You pick them young?

The WITNESS. Yes, sure. All old guys like the young girls.

The COURT. Did he say when he was married?

The WITNESS. 1921.

The COURT. Where?

The WITNESS. Detroit.

The COURT. Did you have a big party?

The WITNESS. Sure, certainly.

By Mr. GARBER:

Q. What business were your wife's folks in?—A. My father-in-law work in Ford Motor plant 32, 33 years.

Q. He's a Ford employee?—A. Ford employee.

Q. What does he do?—A. Works.

Q. Was he in the service department or working?—A. What do you mean, service department?

Q. What kind of work did he do?—A. I don't know what kind of work he does. I know he work at Ford. I don't know. I never ask what he did. Maybe shop, truck.

The COURT. Was he on the line where they put the cars on the line?

The WITNESS. I can't tell you. I never ask what he do for Ford's.

By Mr. GARBER:

Q. He worked for Ford's for a long time?—A. Then he work in Stove Company.

Q. What stove company?—A. Detroit Stove Company.

Q. When did he go to work for the Stove Company?—A. Oh, I don't know. 1935 or '36, something like that.

Q. A little while after the strike?—A. No, later, after he got laid off at Ford's, I got him a job at the Stove Works.

The COURT. When?

By MR. GARBET:

Q. 1934 or 1935?—A. I don't remember the day.

Q. When did you get Gentile his job out there?—A. I don't get his job. He come over there. He got the job.

Q. You introduced him to the employment man, didn't you?—A. Why, sure.

Q. That helped him get a job?—A. I don't know how he got the job. A lot of Italians I introduce him to get him a job.

Q. You got quite a few Italians introduced over at the Stove Works to get a job?—A. Sure.

Q. After the strike?—A. Not after the strike. Now I introduce people.

Q. How many Italians work for the Stove Works?—A. I can't tell you.

Q. Well, you guess.—A. I know worked a lot of them—there be a lot of them—around four or five hundred.

Q. How many did you introduce to get jobs?—A. A lot of them I don't introduce them. It's got to be a fellow I know, you know. He come ask me; I come ask the watchman, "Got any chance, give him a break, if you got any jobs."

Q. Well, out of the four or five hundred Italians working at the Stove Works, how many did you introduce to help get their job?—A. I tell you, I don't remember. I know a lot of them I introduce to get a job.

Q. A lot of these Italians of the four or five hundred you introduced to get the job?—A. Not four or five hundred.

Q. A lot of them?—A. A lot of them, sure.

Q. Do any of them work for Gasper?—A. Italians?

Q. Yes.—A. Sure, some of them work for Gasper.

Q. Do any of them work for you?—A. Sure.

Q. You pay them?—A. Sure. It's working for me.

Q. And some of them are working for the company?—A. If they want to work for me, I pay them. If they want to work for the company, the company pays.

Q. How many work for you?—A. I got—well, seven or eight.

Q. How many work for Gasper?—A. He got a lot, around 20, 22, 25, working for him.

Q. Mostly all Italians?—A. No; most all colored.

Q. What plant?—A. The core room, Jefferson Avenue.

Q. The rest of them are on the payroll of the company?—A. Who?

Q. The rest of the four or five hundred Italians.—A. Sure.

Q. Do they have a union over there?—A. Where?

Q. At Michigan Stove Works.—A. Sure; got a union.

Q. What is it, a company union?—A. No; got American Federation of Labor union.

Q. Did they ever have a company union?—A. I never heard about it.

Q. Weren't you an officer of the union?—A. No; I never been an officer of the union. I belong to the union.

Q. What union do you belong to?—A. American Federation of Labor.

Q. Are you an officer?—A. No; not an officer.

Q. What local is it, Sam?—A. Local 31.

Q. What union?—A. Molders union, they call it. You have to be union when you work in the core room.

Q. When did you join the union?—A. I join the union 23 or 24 years ago.

Q. When did the MESA get in there?—A. I never heard of it.

Q. Who struck out there in 1934?—A. I don't know. I heard about it.

Q. Well, the MESA, wasn't it?—A. I don't know. It might be American Federation of Labor.

The COURT. You know what he is talking about when he says MESA?

The WITNESS. Well, call them Federation, MESA, call them MESA, CIO—I don't understand much about it.

The COURT. CIO, AFL, and MESA?

The WITNESS. It's two different things—I don't understand much.

By MR. GARBET:

Q. But you do know somebody had a strike out there in 1934?—A. Well, they had a strike—none of my business.



Q. Didn't you make it your business?—A. I no had anything to do. I was working overtime in the core room.

Q. You kept right on working if there was a strike or not?—A. Well, I belong to American Federation of Labor. We have no trouble. We was working, making cores.

The COURT. I know a lot about that coremaking.

The WITNESS. So do I.

The COURT. Because I had an uncle was a coremaker.

The WITNESS. All my life I been a coremaker.

The COURT. Maybe I can tell you something about coremaking.

The WITNESS. You better go out there, make some cores, your honor. See who goes faster.

By Mr. GARBER:

Q. When did you get the trucking contract?—A. I don't remember—1934 or 1933, something like that.

Q. Did you get the salvage contract and trucking contract about the same time?—A. I guess we got the whole thing the same time. I don't remember sure.

Q. When did you go to jail?—A. 1936.

Q. About two years later. What for?—A. I make a little moonshine. I was making three days a week. I can't support my family, keep my home. I went to make a little moonshine and got in jail.

Q. You couldn't support your family? You had a salvage contract and trucking contract and had to make moonshine to pay your expenses?—A. Well, I want to pay my home.

The COURT. When did you buy your home? Is that the one you bought in Grosse Pointe?

The WITNESS. That's right.

The COURT. Did you buy that home when you first went out to Grosse Pointe?

The WITNESS. Yorkshire.

The COURT. What's that number?

The WITNESS. 1210, I guess.

The COURT. Near what side street is that?

The WITNESS. Kercheval.

The COURT. Did Gasper also buy a house there?

The WITNESS. He built one on the corner next to me.

The COURT. The corner of Kercheval?

The WITNESS. That's right.

The COURT. And Yorkshire?

The WITNESS. Next to me. He built next to me.

The COURT. He was on the corner?

The WITNESS. He was on the corner. I was next door.

The COURT. How many feet front did you have?

The WITNESS. I don't remember.

The COURT. They are pretty big lots?

The WITNESS. Long lots.

The COURT. What is the street behind you?

The WITNESS. I tell you, I don't remember—Bishop, something like that.

The COURT. Did you build that house?

The WITNESS. I built the house.

The COURT. What did it cost you?

The WITNESS. \$11,000.

The COURT. How many rooms?

The WITNESS. I had four bedroom upstairs, and three room down downstairs.

The COURT. And you built it in 1934?

The WITNESS. 1934, 1933, something like that.

The COURT. \$11,000?

The WITNESS. Yes.

The COURT. You got out of it pretty cheap, didn't you?

The WITNESS. That time was cheaper.

The COURT. It was a cheap time to build?

The WITNESS. Yes.

The COURT. You couldn't build it for \$11,000 now?

The WITNESS. I am sorry I sell for \$15,000.

The COURT. When did you sell?

The WITNESS. A couple of years ago.

The COURT. What time, 1945?

The WITNESS. I don't remember the right date.

The COURT. Well, we would like to have that, Sam.

The WITNESS. Well, as soon as I live in Beaconsfield.

The COURT. When did you go on Beaconsfield?

The WITNESS. I don't remember if it's two years, two and a half years, something like that.

The COURT. Well, did you buy the place on Beaconsfield?

The WITNESS. I buy six, seven years ago, you know.

The COURT. You bought it?

The WITNESS. Yes.

The COURT. You owned it six or seven years ago?

The WITNESS. Yes.

The COURT. That's a 2-flat?

The WITNESS. Two-flat, income bungalow, you know.

The COURT. You live downstairs?

The WITNESS. I live downstairs.

The COURT. Who lives upstairs?

The WITNESS. My son-in-law.

The COURT. What's his name?

The WITNESS. Carl Renda.

The COURT. Oh, Carl Renda, he lives upstairs?

The WITNESS. Yes.

The COURT. You bought that five or six years ago?

The WITNESS. Wait a minute. I bought it 1939.

The COURT. You had tenants?

The WITNESS. Yes.

The COURT. When you sold the Yorkshire house——

The WITNESS. I move over there.

The COURT. You moved over to Beaconsfield?

The WITNESS. Yes.

The COURT. That number is what?

The WITNESS. 869. I got another home on Townsend, you know.

The COURT. 869 is near what side street?

The WITNESS. I don't know the street, you know.

The COURT. Don't you know the street nearest to you?

The WITNESS. It's hard for me to say the name of the street. I never look at the corner of the street.

By Mr. GARBER:

Q. You have been living there 2½ years?

The WITNESS. Yes.

The COURT. You're so busy, Sam.

The WITNESS. I can't read the street—some street, like you say, Canton, Concord, it's just like Italian, I could remember.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Do you drive a truck?—A. Sure.

Q. How do you find your way around town if you drive a truck and can't read the streets?—A. Well, I ask the people if I can't read the streets.

Q. Did you ever ask the people what cross street is near your house?—A. I never bothered. I know I go down Jefferson Avenue, go right home.

Q. You don't know what streets your house is between?—A. No.

Q. Which side of the street is your house on?—A. I go down to Jefferson—it's this side. It's the right side.

The COURT. You go down to Jefferson?

The WITNESS. I go down to Jefferson, turn right—the right side.

By Mr. GARBER:

Q. You turn on Jefferson towards the river?—A. I turn on Jefferson, turn to the right, alongside the right.

Q. How far is it from the river?—A. Oh, it's a good long way—oh, the river is away in, see.

The COURT. You are near Jefferson?

The WITNESS. Near Jefferson. There's a school in there. It's close to the schoolhouse, see.

By Mr. GARBER:

Q. When did your daughter get married?—A. What daughter?

Q. To Carl Renda.—A. Carl Renda? Got married around three years ago, I think.

Q. What was Carl doing then?—A. He was working.

Q. Where?—A. Some factory, making—of course, I don't know where he was.

Q. American Twist Drill—National Twist Drill?—A. That's what I heard. See, it's hard for me to say that word he just said.

Q. How long did he work at National Twist Drill?—A. I tell you, I don't know. I know he work there while he is engaged to my daughter. If he work before, I don't know.

Q. When did he go in the scrap business?—A. I don't know. I don't remember.

Q. How much money did you loan him?—A. I loan him \$32,000.

Q. When did you loan him that?—A. I loan him once \$5,000, once I loan him \$9,000, and then I gave him \$18,000, see.

Q. When did you do that?—A. Well, \$5,000 I loaned him a couple of years ago, see, and then he ask me for another \$9,000, and I gave it to him, see. I don't remember the day.

Q. Yes, and then when did he get the \$18,000?—A. I gave him the \$18,000 last. He bought some trucks, asked me if I could lend him some money and told my daughter—my daughter beg me, so I give it to him.

Q. So he has \$32,000 of your money?—A. Sure.

Q. What have you got to show for it?—A. I got a paper—made a paper, see.

Q. What did he give you, a demand note?—A. What do you mean, demand note?

Q. You can ask him for the money any time you want it and he will pay it?—

A. If he got it, he will. After all, he's my son-in-law. I know he's a good boy. He don't go gamble, drink, stuff like that. I see he's a very nice boy. I give him anything he wants.

Q. Did you know his father?—A. No.

Q. You didn't know his father. What's his father's name?—A. I know his father, Renda, it is his name. I know his uncle.

Q. You know his uncle. What does he do?—A. He's a sick man. He don't do anything.

Q. Isn't he a gambler?—A. He used to be a gambler; yes.

Q. Still is?—A. I don't see him do no gambling. He's a sick man.

The COURT. What's his first name?

The WITNESS. Jim Renda.

The COURT. What does he do?

The WITNESS. He lives in Canada.

The COURT. What place?

The WITNESS. I know the house. To tell you about the street, I don't know.

The COURT. Does he live in Walkerville, Windsor?

The WITNESS. He lives in Windsor, away out, 10, 12, 15 miles out from Windsor.

The COURT. In the country?

The WITNESS. In the country.

By Mr. GARBER:

Q. Where did he have a gambling joint, in Windsor?—A. Yes; he used to have a gambling joint in Windsor.

Q. What happened to Carl Renda's father?—A. I don't know. I heard a long time ago he got killed.

Q. Where?—A. That time people get killed inside the county jail.

Q. Well, he did get killed inside the county jail. What gang did he belong to?—A. I don't know.

Q. But he did get shot in the county jail; is that right?—A. That's what I heard.

Q. Well, that's what you know. You lived in Detroit all your life?—A. Sure. Not all my life.

Q. Pretty near all your life?—A. I don't know his business.

Q. You knew that when Carl married your daughter, didn't you?—A. Sure, I know.

Q. Well, sure. Why fish around about it. You're very fussy about who your daughter goes out with. You didn't even let your daughter go out alone, unless she was chaperoned.—A. I don't let my daughter go out alone, certainly.

Q. You were certainly going to find out who she married.—A. Certainly. I find out he's a good boy, been going to school, college.

Q. And you find out what his father is, too.—A. I have no business about his father.

Q. You find out about his uncle. You knew his uncle?—A. Sure, I knew his uncle.

Q. Let's not quibble. He got married about three years ago. They have a baby boy?—A. He's got a baby 20 months old.

The COURT. You're a grandfather?

The WITNESS. I am a grandfather, sure. I enjoy that little kid.

By Mr. GARBET:

Q. You gave away cigars when you were a grandfather?—A. Certainly.

Q. How long have you known Art Glover?—A. Oh, I know Art Glover 30 years or more.

Q. How did you meet Art?—A. He used to work in the foundry, Detroit Stove.

Q. Did he work with you?—A. I work in the core room, he works in the foundry. I used to go in the foundry every day, bring the cores in.

Q. Are you and Art good friends?—A. Sure.

Q. Does he go hunting with you every year?—A. No, just two years he goes hunting.

Q. What two years did he go?—A. Last year and this year.

Q. You mean he went in 1946?—A. Last year he come over, and he don't have any hunting clothes, you know.

Q. How long did he stay?—A. Two days, I guess.

Q. Two days up at Cummings?—A. Yes.

Q. The year before he went up there, 1945?—A. 1945.

Q. Did he go up hunting that time?—A. No, he came up, he and Sheehy, the big fellow.

Q. Where?—A. Up to my cabin.

Q. How long did they stay in 1945?—A. A couple of days, I think.

Q. Was that after Mrs. Thompson was killed?—A. That's right.

Q. You saw Art at the time you were being questioned by the police in the Thompson killing?—A. See who?

Q. Art Glover.—A. Well, Art Glover come over to me, see, took me to the Pontiac people, see.

Q. Is that when you invited Art to come up hunting?—A. No. I don't invite. They come up themselves.

Q. They stayed how long?—A. A couple of days.

The COURT. Did they get any game?

The WITNESS. What's his name took a gun, went in back of the cabin and shot a buck.

The COURT. Who?

The WITNESS. The other fellow, took one of my shotguns. He went back of my house, run a couple or three hundred feet and shot a deer. He hollered for help. The boys run and help him bring it in.

By Mr. GARBET:

Q. Was it hanging in a tree?—A. No. He shot it. He was very happy.

Q. What kind of shells do you use in your shotgun?—A. Bullets.

Q. They came up to your place and didn't even have a gun?—A. No; no gun.

Q. Did they have hunting clothes?—A. No. We give them a coat, you know. It wasn't so cold.

The COURT. That was 1945?

The WITNESS. Yes.

By Mr. GARBET:

Q. November 1945?—A. Yes.

Q. Art Glover's wife is an Italian girl?—A. That's what they told me.

Q. Do you know his wife?—A. Never talked to her.

Q. Do you know his wife?—A. Sure, I know.

Q. Were they over to your wedding a week ago?—A. No.

Q. Were they over to Carl's wedding?—A. Sure. Wait a minute. They was going to come to my wedding. They was in Florida. He called me up.

The COURT. Your own wedding?

The WITNESS. My daughter's wedding a week ago Saturday.

By Mr. GARBET:

Q. Did you invite Art and his wife?—A. Sure, I invite him.

Q. He's a good friend of yours?—A. He's a good friend.

Q. Did you ever give him any money?—A. Never. He never asked for any money.

Q. Did you ever give Sheriff Thomas any money?—A. I never give anybody any money.

Q. What did you offer this fellow \$500 for when he caught you with the gun in the car?—A. Who?

Q. You know who.—A. I never offer him no \$500.

Q. What did you offer?—A. Nothing. What gun?

Q. The one you were trying to get back last week.—A. Oh, I never offer him no \$500.

Q. How much were you fined out there?—A. About \$52, something like that.

Q. Why did you offer him \$500?—A. I never offer him no \$500. He says to me, "I going to give you six months." The gun is jammed. I can't use it, and the manufacturer of the gun, I wanted to take it back and show it's not working. He said, "I got to take you down." I said, "Why take me down? I could put bond four or five hundred, and go. I will be up there." He said, "I got to take you down." I said, "Let's go." I don't give no money.

Q. You offered it to him?—A. I don't know for nothing.

The COURT. Who was it?

The WITNESS. Some game warden.

By Mr. GARBER:

Q. Who were the two guys that got away?—A. Nobody got away.

Q. There were three in that car. Two got away. You got caught. Now, who were the two guys in the car?—A. I don't know any other two guys.

Q. They got out and run.—A. He don't run. There was a fellow was in the army—

Q. How were you shooting out the window out there for pheasants?—A. I don't shoot out the window for pheasants.

Q. What did you shoot out the window for?—A. I don't shoot nothing.

Q. Who did? Who was?—A. I don't shoot.

Q. Who was hunting with you out by Mount Clemens that day?—A. A friend of mine.

Q. Who?—A. I don't know the name. It's an American fellow. He always go with me. He come in the gas station.

Q. Was it Art?—A. Who?

Q. Art Glover.—A. No; Art Glover never go out, shoot through the window.

Q. Was he out hunting with you that day?—A. What day?

Q. The day he got arrested, October 14, 1946.—A. No; another fellow was with me.

Q. Gasper?—A. No; my brother never go hunting.

Q. Who were those two fellows in the car that day?—A. A friend of mine. I don't remember his name. An American fellow come in the gas station. I don't know his name. I know when I see him.

The COURT. Was it this fellow here?

The WITNESS. No.

The COURT. Any of these officers?

The WITNESS. No.

By Mr. GARBER:

Q. How often does he come to your gas station?—A. All the time he come to the gas station.

Q. You don't know his name. Do you know where he lives?—A. I don't know where he lives. He lives some place on Concord.

Q. How far is that from your gas station?—A. Oh, a block.

Q. What is his first name?—A. They call him Dick. I don't know his last name.

Q. What number does he live on Concord?—A. I don't know the number.

Q. Near what cross street?—A. Cross street?

Q. Yes. Near what other street?—A. Oh, he lives between Lafayette and Jefferson.

Q. On Concord?—A. Yes; on Concord.

Q. Which side of the street?—A. I never ask him if he be to left or right.

Q. You have been to his house?—A. Wait a minute. On the left—go off Jefferson, on the left side.

Q. When you turn off Jefferson, it's on the left side?—A. Yes.

Q. How many doors from Jefferson?—A. I never count it, see.

Q. You have been over to his house?—A. I don't know—once or two times.

Q. You could take us to his house?—A. What?

Q. You could take a policeman to his house?—A. Oh, yes, yes.

Q. His name is Dick?—A. Yes.

Q. How long have you known him?—A. I know him a long time.

Q. How long?—A. Maybe 25 years.

Q. You have known him 25 years and you don't know his name. Now, what's his name?—A. Dick.

Q. Dick what?—A. I don't know his last name.

Q. Do you want to go to jail?—A. I don't want to go to jail.

Q. Or the door is standing right open right now.—A. Well, they call him Dick all the time; I don't know his name.

The COURT. Now, Sam, you are too smart—

The WITNESS. I am not too smart. I tell you the name if anybody wants to tell me.

Mr. GARBER. All right, what's Dick's name?

The COURT. Will you go with the officers out to the house? They will take you out and bring you back.

The WITNESS. Sure; I will be glad to take you out, show you.

By Mr. GARBER:

Q. You don't know his name?—A. I know his name is Dick.

Q. He lives there now?—A. Yes; he lives there now.

Q. He's the guy who was in the car with you when you were arrested for having a gun in the car?—A. That's the guy with me. I ain't got arrested. I was talking to the guy. The guy walk away and went.

Q. Who was the other guy?—A. I don't know any other guy. That's the guy I had with me.

Q. Whose gun was it?—A. My gun.

Q. How many guns have you got?—A. Oh, I got half a dozen guns, .22 rifle, a rifle for deer, I got three shot automatic, 5-shot automatic.

Q. A shotgun?—A. Shotgun.

Q. What make?—A. I don't remember. One is Remington, I remember.

Q. Which one is a Remington?—A. 3-shot.

Q. What is the 5-shot?—A. I don't know if it's Remington or Winchester.

Q. Does Winchester make an automatic?—A. I don't know if it's Remington or Winchester.

Q. You are proud of your guns. Is it a Brownie?—A. I can't tell you. If I tell you it's a Brownie, this I don't know.

Q. How many pistols have you got?—A. Two pistols, one .45, one .32.

Q. Registered?—A. Certainly.

Q. Have you got a permit to carry a gun?—A. No; I got no permit. I used to have.

Q. How many years did you have a permit?—A. Oh, I guess around 1932 to 1934 or '35, something like that.

Q. What did you have a permit to carry a gun for?—A. What?

Q. What did you have a permit to carry a gun for?—A. Well, a lot of people used to have, and I asked him—I fill out the papers and a friend of mine sign up, a drug store man on McDougall, and another one was a barber, run a barbershop, and I fill in the application and got it.

Q. Is that the time John Fry was police commissioner?—A. No.

Q. Who was police commissioner?—A. I don't know.

Q. Who got it for you?—A. I got it myself—fill out the application and I got it.

Q. How long have you known Thompson?—A. I never see. I never see.

Q. How long have you known Mrs. Thompson?—A. I never see.

Q. Where is your gas station?—A. On Jefferson Avenue.

Q. What corner?—A. Canton and Jefferson.

Q. Who do you know out at Orchard Lake?—A. I don't know nobody.

Q. Do you know Gerald E. O'Brien?—A. No.

Q. Did you ever call him from your gas station?—A. I never called him.

Q. Who called him?—A. I don't know.

Q. Have you got a private line?—A. I don't know if it is a private line.

Q. Have you got two telephones?—A. One pay station, and then got a desk and got a 'phone.

The COURT. That's your private 'phone?

The WITNESS. That's right.

By Mr. GARBER:

Q. Who did you call out at Keego Harbor?—A. I never call anybody.

Q. What's your telephone number?—A. Fitzroy 8524.

The COURT. That's your private one?

The WITNESS. That's right.

The COURT. What's your public one?

The WITNESS. I don't know. I never call.

The COURT. Any time you call, you call on your own private 'phone.

The WITNESS. My own private 'phone.

By Mr. GARBER:

Q. When did you meet Mrs. Thompson?—A. I never met her. I never know about her.

Q. You never met her?—A. I never met her.

Q. How did she get your name?—A. Well, I don't know.

Q. Who was running your gas station in 1945?—A. I don't think—I think my son-in-law.

Q. Your son-in-law?—A. I think my son-in-law was.

Q. Which one?—A. Carl, I think, was running it.

Q. Carl was running your gas station in 1945?—A. I don't know if it was Carl—some of the boys. I had before all boys all the time.

Q. As far as you know, Carl was running it?—A. I don't mean—Carl was running it after work, when I got the station, and then I have so many boys.

Q. Do you keep books?—A. Yes, I keep books.

Q. Have you got their social-security numbers?—A. Sure.

Q. Well, who was working there?—A. When, right now?

Q. No. Who was working there in 1945?—A. I don't remember, see.

The COURT. The books will show?

The WITNESS. The books will show, if I looked in the books, I could tell you. I don't know the name. American boys, you know.

The COURT. Can we have those books, Sam?

The WITNESS. Sure.

The COURT. To look at them?

The WITNESS. Sure, I will bring them any time you want to see them.

By Mr. GARBER:

Q. When did you first find out about this note that was written by Mrs. Thompson?—A. The police told me they have the note.

Q. What police told you?—A. In Pontiac; you know.

Q. Did they call you out to Pontiac?—A. They don't call me up. They come over, pick me up at the gas station.

Q. Did they take you out?—A. Take me out. Ask me if I know the lady, if I know Mr. Thompson. I tell them I never see the man. They ask me if I buy a Buick. I never have a Buick in my life.

Q. What kind of a car did you have?—A. Ford, Packard, Mercury.

Q. What kind of a Packard did you have?—A. 1941 Packard.

Q. Did you have that in August and September 1945?—A. No; I don't remember when I sold.

Q. What year did you have a Packard?—A. I know 1941, I had it, see.

Q. When did you sell it?—A. I don't remember really when I sell it—about two years ago, something like that.

Q. You sold it when? 1945?—A. Yes.

Q. When in 1945?—A. I don't remember the day.

Q. What color was it?—A. Black color, 4-door sedan.

Q. How many cylinders?—A. 6 cylinders.

Q. 6 cylinders, 4-door sedan Packard?—A. Yes.

Q. And you sold it when?—A. I don't remember if I sold it a year and a half or a year ago; something like that.

Q. What did you do? Trade it?—A. No; I sold it to a guy, you see.

Q. Who?—A. A fellow by the name of Vivona. He went to the old country. He's in the old country now.

The COURT. Did he take the car with him?

The WITNESS. No; he don't take the car with him. He sold the car, see.

The COURT. Do you remember the license number in 1945?

The WITNESS. No; I don't remember.

The COURT. Do you remember what time of the year you sold it?

The WITNESS. I don't remember the year.

The COURT. Did you sell it in October?

The WITNESS. I could check up and find out.

The COURT. What kind of car have you got now?

The WITNESS. I've got a Mercury and I got a Pontiac. My wife has a Pontiac and I got a Mercury.

The COURT. When did you buy those?

The WITNESS. I bought this year—I mean 1946 car.

The COURT. Is that when you sold the Packard, you bought the Mercury?

The WITNESS. No; I had a Ford before, and I had it smashed up, and got rid of it and got the Mercury.

The COURT. When did you sell the Packard?

The WITNESS. The Packard, I tell you; I don't remember. I know it's better than a year; a year and a half.

The COURT. About a year and a half?

The WITNESS. I don't remember the right day.

By Mr. GARBET:

Q. What cars did you have when you had the Packard?—A. That's all I had; the Packard.

Q. Just the Packard?—A. The Packard—wait a minute. I had the Packard and I had a Ford.

Q. What year Ford?—A. 1946 Ford.

Q. 1946 Ford, and you had the Packard when you had the 1946 Ford?—A. Yes.

Q. After you were taken out to the police in Pontiac, how many times did you go to see Gentiles?—A. The police and Mr. Glover, they send me to see Mr. Gentile, find out from Mr. Gentile if this woman ever go out with anybody; see if this woman ever go out with anybody. I went to my uncle, with his permission.

Q. Who went with you that time?—A. Myself.

Q. You went alone?—A. I went alone.

Q. All right.—A. And I ask him if he know anybody used to go out with this woman—what they told me to find out—and he said he never see her go out with nobody. She only was here at my house with my sister, the other sister-in-law, one day they come, fifteen years ago, they told me.

Q. They never saw anybody go out with Mrs. Thompson?—A. Never see anybody go out with Mrs. Thompson.

Q. When did you come again?—A. I never went back again.

Q. You only went there once?—A. Once; yes.

Q. Did you ever go with your car and take them any place?—A. Who?

Q. The Gentiles?—A. No.

Q. You never took them any place?—A. Never took them no place.

Q. You say Art Glover?—A. Wait a minute. I take them once, too. They send me once, call me, state trooper, to take them to 7-Mile Road. I go over, pick up with my wife, take them to 7-Mile Road. They ask questions to her, to me, to my uncle, all of us.

Q. You were all taken out to 7-Mile Road?—A. Yes.

Q. When was that?—A. Just a month later—two or three weeks later.

Q. When was the time you went there alone, Sam?—A. Just when this thing happened. They come over and picked me up at the gas station.

Q. Who went with you that night you were there?—A. Where?

Q. The first time you went out there.—A. I went alone.

Q. Who was the other Italian fellow with you?—A. I had nobody with me.

Q. If Gentiles say you did, are they wrong?—A. What?

Q. If the Gentiles say you came out with another young Italian—an Italian, not young, an Italian they never saw before or since?—A. I don't know. I don't remember, see.

Q. Is that the guy that is in Europe now?—A. No. I don't remember who I went with, if I had my wife or what.

The COURT. You went alone the first time, you said. Who was with you?

The WITNESS. Nobody with me.

The COURT. You went out once with your wife, and Gentile and his wife got into your car and drove over to the State Trooper Headquarters on 7-Mile Road, didn't you?

The WITNESS. Yes.

The COURT. And the officers over there talked to the whole four of you. But before that time you went to Gentiles with another Italian?

The WITNESS. I don't remember, you know.

The COURT. You remember going out yourself?

The WITNESS. I remember I went down there.



The COURT. You did go over there?

The WITNESS. I did go over there. I don't remember who was with me.

By Mr. GARBER:

Q. You were mad, shaking your fists in Gentile's face, and asked, "How did that woman get my name?"—A. I told Gentiles, "Why did you give the name?" Glover and the Chief told me, "Find out how she got your name." The old man say, "Your name over here in my telephone book. She come over here. When she see the picture in the paper about the gun she take the picture in the paper. She know your name. I don't know what's going to happen to you." Because I hawl him out. I want to find out if he ever give my name to these people.

Q. What were you mad about?—A. If anybody accuse you, piece put in the paper like that, wouldn't that get you mad? I never see these people. I don't know the wife. I don't know the husband. I don't know anybody. I never go to the west side.

Q. Why did you go over three or four times to Gentile's house after it was in the paper?—A. I never go down no three or four times to Gentile's house.

Q. How many times did you go?—A. I don't remember if I went once or two times. The police send me down there.

Q. Why didn't you talk to Gentile at the plant about it?—A. I never talk to Gentile at the plant.

Q. Why?—A. What do I want to talk to him for?

Q. What did you go away out there to talk to him for?—A. They send me to go.

Q. Who?—A. The police say, "You got to help us." I don't go down there. If the police don't send me, I wouldn't go down there. I never go to those people. It's relation to my wife. I never go to my wife's people.

Q. But you went down with this other Italian fellow?—A. I don't go with no Italian fellow. I think my wife go alone.

Q. Did you go with Glover?—A. I don't remember if Glover went.

Q. Another time did you go with Glover?—A. I never go with Glover.

Q. You had better start telling the truth, or we will issue a warrant for bribing an officer?—A. I tell you the truth.

Q. It's a 14-year penalty. You'd better tell the truth.—A. I tell you the truth. I don't know these people. I never went over there.

Mr. GARBER. You had better start thinking.

The COURT. I have to go to see a party, so you can sit around there with the officers, and after awhile they will take you to dinner, you know, and anywhere you want to go to.

The WITNESS. I got to go home with the stuff I could eat. I come back. I got nothing to do. I will be right back.

The COURT. You can go with them.

(Witness excused.)

SANTO PERRONE, having been by the Court previously duly sworn, was examined and testified further as follows:

Examination by Mr. GARBER:

Q. When did you engage Louis Colombo to come over here and represent you?—A. The day I got the subpoena, the next morning, I went to Louis Colombo, and I went to tell him I figured Monday you people going to put in the paper. I tell Mr. Colombo I never know these people, never know nobody, why should I be in the paper there? Sunday I happened to be on his floor, and when he sees me he knows me. He says, "You in the paper now." Why I should be disgraced—why I went to Colombo, I don't want to be disgraced. I have a gas station. I see thousands of people in a week, come over for gas, in the shop, or walk in the office or be at the front gate with my men. I don't want to be in the paper. I went to Colombo for that reason. Then I was in the paper.

Q. How did you keep your name out of the paper when that note was discovered?—A. Well, I don't know anything about a note.

The COURT. But they found a note with your name on it?

The WITNESS. They put it in the paper.

The COURT. They didn't put your name in the paper?

The WITNESS. There was my name in the paper, your Honor. Somebody read was a little piece in the paper.

The COURT. Did you read it in the paper?

The WITNESS. I don't know. I can't read in the paper. I can read maybe a few words.

By Mr. GARBER:

Q. But it wasn't in for a long, long time.—A. Well, I never see her, you know.

Q. Did you ever know it was in the paper?—A. Well, I know at the time when they put them in the paper.

Q. Did you talk to Mr. Thomas, the sheriff, about not putting it in the paper?—

A. No. I don't know—they put them in the paper. I don't know why they don't put them in no more.

Q. You talked to Mr. Thomas, the sheriff, and he promised not to put your name in the paper.—A. No. Just tell me the night they come over, pick me up in the station—asked me if I ever buy a Buick. I told them I never have a Buick in my life. The only car I had was a Ford and one Packard. My wife likes the Packard. I got a Packard.

The COURT. You drive a Ford?

The WITNESS. I drive a Ford. I had a Mercury that time.

The COURT. By the way, Sam, you were living on Yorkshire that time?

The WITNESS. No, I think I was living on Beaconsfield.

The COURT. Were you?

The WITNESS. Yes; Beaconsfield.

By Mr. GARBER:

Q. Do you remember the time Mrs. Coco, Mrs. Gentile, and Mrs. Latona brought Mrs. Thompson over to your house to show her your house?—A. They never bring her to my house.

Q. They say they did.—A. They never bring her to my house.

Q. They never brought her to your house?—A. I ask my sister-in-law and they claim they brought two my sister-in-laws when my brother bought the house, the new house next door. I never see.

Q. They were over to Gasper's?—A. I never see.

Q. They were over to Gasper, not your house.—A. Gasper's house once, what my aunt say.

The COURT. Who?

The WITNESS. My aunt, Mrs. Gentile.

By Mr. GARBER:

Q. When is the last time you were over to the Gentiles before this happened?—

A. Well, I never was over to Gentiles a long time.

Q. How long?—A. Well, I never was over to Gentiles a long time.

Q. How long?—A. I don't know if it was a year, 2 years.

Q. Did you ever meet Mrs. Thompson over there?—A. I never met her.

Q. Did you ever hear them talk about her?—A. I never hear them talk about her.

Q. You don't know Mr. Thompson?—A. I never see.

Q. Are you sure you didn't give Thomas some money out there to keep it out of the paper?—A. I never give nobody no money. Nobody ask me for no money.

Q. I never said they asked you for any money. Did you offer them any?—A. I never offer a penny to nobody.

Q. Why did you offer these fellows where you were out hunting this \$500?—A. I don't know these fellows for nothing. He tell me, "We give you 6 months in jail."

Q. Did they find a loaded gun?—A. Not a loaded gun, a jammed gun.

Q. Anyway, you did pay \$50 fine?—A. I say, "Why I want to plead guilty? I am not guilty." I don't bring the gun to the Judge. If I bring the gun to the Judge, he don't fine anything. They take me over, bring me back.

Q. When did you try to get the gun back?—A. The other day, I called the game warden, told him I wanted to get my gun back.

Q. After you got served with a subpoena or before?—A. The same time. He was call up my son-in-law, left a note, the game warden give a note. I want to go get it at Lansing. The game warden said to me on the telephone they got them in Jackson. I call up down there—made my son-in-law call up.

Q. All right. After this broke in the paper, this Thompson murder, and you found out your name was in a piece in the paper, when was the first time you went over to the Gentiles?—A. This was before I heard in the paper, when the police took me over there.

Q. Who told you about it?—A. Glover and Sheehy says, "You go down and find out." I don't remember if I have one of them or brought one of them with me, and I went up this day and ask my uncle, "Did you ever give my name to this lady?" And Gentile, my uncle, said, "Here's your name right here." He had on his desk.

The COURT. A phone book?

The WITNESS. No; not a phone book—all his friends' telephone numbers, Sam Perrone's number.

The COURT. A little book?

The WITNESS. A little book; and he said, "She always used to sit over here, could take your number and name."

The COURT. What would she be taking your name for?

The WITNESS. Well, I don't know. "Probably she take out of there your name," because I ask him how this woman know my name.

The COURT. Why would she want to take your name? Why would she not take some other name?

The WITNESS. He don't say she take my name—"Maybe she take your name out of there." I say, "Did you ever give my name to anybody?"

By Mr. GARBER:

Q. Let's go a little slower. When is the first time you went up there to see Gentile after you found your name was on this piece of paper?—A. No; I went down there when the police arrest—after they leave me they told me to go down there.

The COURT. When were you arrested?

The WITNESS. Not arrested—just picked up, take me over there.

The COURT. When?

The WITNESS. I don't remember, your Honor.

The COURT. A couple of days after they discovered the body?

The WITNESS. Well, I don't know when they discovered the body. They come over to the station, said, "We want to talk to you."

By Mr. GARBER:

Q. Who came over?—A. Pontiac police and some Detroit police—put me to McClellan Station, ask me if I know this woman. I told them I never knew about them. They ask if I know the husband. They ask if I ever buy a Buick car. I never buy a Buick car. I don't know the man. They asked me what happened, somebody steal the car. They said, did I know this woman got killed—told me the whole business. They keep me in the cell ten or fifteen minutes, take my money, everything I had, and then took me to Pontiac.

The COURT. At McClellan Station?

The WITNESS. First take me to McClellan Station, take me to Pontiac after.

The COURT. When did they take your money from you?

The WITNESS. Take from me my belt.

The COURT. Where did they take your money, at McClellan Station?

The WITNESS. At McClellan Station.

The COURT. How much money did you have on you there?

The WITNESS. I don't know if I had two or three hundred.

The COURT. They gave it back to you?

The WITNESS. Yes. They took my belt.

By Mr. GARBER:

Q. You went to McClellan Station, then you were taken to Pontiac?—A. Pontiac, got there about eleven o'clock, ten or eleven o'clock.

The COURT. You don't remember the night, the date?

The WITNESS. I don't remember.

By Mr. GARBER:

Q. How long did they keep you at Pontiac?—A. Keep me till about twelve o'clock.

Q. Night or morning?—A. Night, sir.

Q. What time did you get picked up?—A. About five o'clock.

Q. They took you over to McClellan Station?—A. Yes.

Q. And took you out to Pontiac?—A. Yes.

Q. What time did you get out to Pontiac?—A. I don't know—after ten-thirty, eleven o'clock. I know it was late, you see.

Q. They let you go at twelve?—A. Yes.

Q. Where did you go after you left Pontiac?—A. Right home.

Q. Didn't you get out to Gentiles about one o'clock in the morning?—A. No, sir.

Q. Didn't you go straight to Gentiles?—A. No, I don't go to Gentiles. I went right home.

Q. When did you go to Gentiles?

The COURT. Did you go to Gentiles the next day?

THE WITNESS. I don't remember. When the police come to me, I went to Gentiles over there.

By MR. GABER:

Q. Let's get this straight. You were picked up and taken out to Pontiac and released about twelve o'clock?—A. Yes.

Q. Now, when did you next go to Gentiles?—A. Well, after a few days they called me again.

Q. Who called you?—A. The police.

Q. Who?—A. The Pontiac people. They say, "Come to Pontiac with your sister-in-law." I went down there with my sister-in-law.

Q. You had been over to see your uncle and your aunt alone?—A. I never went alone.

Q. Who did you go with?—A. It must be—I remember the police was with me, see.

Q. All right. Who was the policeman?—A. Why, Glover and Sheehy was the policemen.

Q. You went over once with Glover and Sheehy. When is the next time you went?—A. I never went back any more.

Q. You went back with your wife?—A. I went back with my wife later, when they call me on 7-Mile Road.

Q. You picked them up and took them to 7-Mile Road?—A. That's right.

Q. When did you go there with this Italian fellow?—I never went with an Italian fellow.

Q. That stranger?—A. I never went with nobody. It must be the police.

Q. No?—A. I never took no Italians with me.

Q. You took an Italian fellow over to see the Gentiles and they never saw him before or since?—A. I didn't. I never took nobody.

Q. Was he the guy that killed Mrs. Thompson?—A. He never killed Mr. Thompson.

Q. Mrs. Thompson?—A. I don't know how you spell the name.

Q. Who was the man that went over there with you?—A. I don't know.

Q. Where were you that Thursday night, October the 11th?—A. I don't remember; at home.

Q. At home?—A. Well, I am home all the time. Every night I go home.

Q. Where were you on the 12th?—A. Well, home.

Q. Who was at your house?—A. Nobody. I never associated with nobody.

Q. There was nobody there at all?—A. No.

Q. Well, did you remember when they took you out to Pontiac, where you were?—A. What?

Q. Did you remember where you were when you went to Pontiac?—A. Why, I was home. They called me up. I went over there.

Q. They asked you where you were Thursday?—A. They ask me, I told them I was home.

Q. Did you ever go to this house of Gentiles out in the country, the farm?—A. I don't even know what farm he's got.

Q. What street do you think it's on?—A. I don't know.

Q. You know they had a farm?—A. I don't know they even got a farm.

Q. Did they have a farm in 1945?—A. I never heard of it.

Q. Have you ever been to the farm?—A. I got father-in-law, got a little farm in Mount Clemens.

Q. Where?—A. Not farm—got a couple of acres of land, got trees, grape trees, apple trees, all kind of trees.

Q. Where is that?—A. Harnecker Road.

Q. Harnecker Road. What's his name?—A. Domanico Calcogna.

Q. How old is he?—A. He's about around—a little better than 75, I guess.

Q. Who else lives there?—A. Just mother-in-law and the old man. Nobody else.

THE COURT. Have they got a barn out there?

THE WITNESS. Yes; little chicken barn, just like that.

THE COURT. Do they keep a cow?

THE WITNESS. No, no cow—got a couple of goats.

THE COURT. No horse?

THE WITNESS. No horse.

THE COURT. No cow?

THE WITNESS. No cow. They used to have one cow.

THE COURT. There's just the old man and the old lady?

THE WITNESS. The old man and the old lady.

THE COURT. They live there together?

THE WITNESS. They live there together. They been living there for about 25 years.

THE COURT. How far away from the street is the house?

THE WITNESS. It's about 100 feet, you know, right on the road, close to the road, a brick house.

THE COURT. What is the nearest house to them?

THE WITNESS. Well, the nearest house is short—half a block.

THE COURT. Half a block on one side. What's on the other side?

THE WITNESS. They got houses all around. One is on this side, one is on this side, and one built up this side. Nobody live there.

THE COURT. Across the street, nobody lives there?

THE WITNESS. Across the street, that's right.

THE COURT. Did you ever go out to Gentiles' cottage?

THE WITNESS. I don't even know where it is. I never been there. I don't even know if he's got a cottage.

THE COURT. Well, he hasn't got it now. He sold it.

THE WITNESS. I never been. They never even told me because I don't talk to him much. I see him in the plant, "Hello, how are you." And I am gone, you see.

By Mr. GARBER:

Q. How often do you go to the Cocos?—A. I never went to Cocos. I don't even know where he lives.

Q. Did you ever see him over to Gentiles?—A. I never see him.

Q. Did you ever see him over at Gentiles?—A. I never go to Gentiles. How can I see?

Q. When you were over to Gentiles did you see him?—A. I don't see. Nobody was there.

Q. Do you know the Latonas?—A. Sure. He works for the stove company.

Q. Latona works for the stove company?—A. He had his hands cut off. That's the one you mean?

Q. Tom?—A. Yes. He got his hand cut off, caught in a machine in the stove company.

Q. How long did he work for the stove company?—A. I guess better than ten years.

Q. Did you get him his job?—A. No; he got the job.

Q. Did you ever introduce him to anybody over there?—A. Never introduce him to nobody. I look in the piece room, see how much scrap I got. He worked over there. If I see him, "Hello." I go about my business.

THE COURT. You are a pretty big shot over there in the stove business?

THE WITNESS. No; I work hard for the company. I shovel coal. I shovel dirt?

THE COURT. Now, even now?

THE WITNESS. Now, tomorrow, a man don't come, I shovel coal; truck driver don't come in, I drive the truck. I am not ashamed of work.

THE COURT. You are a hard worker?

THE WITNESS. A hard worker, all three brothers. Ask anybody in Detroit.

THE COURT. You don't drink?

THE WITNESS. I don't drink.

THE COURT. No whisky.

THE WITNESS. Wine—I never drink—my girl get married. I use for the wedding. Every four or five years I make a barrel of wine. I can't drink. I got diabetes. If I drink I be a dead man.

THE COURT. You're on a diet?

THE WITNESS. Yes. I got diabetes. When I was in trouble with the whisky, I went to Leavenworth Penitentiary. They tested my blood and found I had sugar. I don't know, they give me three tests.

THE COURT. How long were you there?

THE WITNESS. 29 months.

THE COURT. Two and a half years.

THE WITNESS. They give me parole. I come home, start to work.

THE COURT. Had you ever been in prison before?

THE WITNESS. Never.

THE COURT. Since?

THE WITNESS. Never since. I told my parole board, if I got to sleep where the dogs sleep, I never go wrong if they give me a parole.

By Mr. GARBER:

Q. What trouble did you get in in 1942?—A. I had young brother, the one died, had bought a house in Outer Drive. While I was in jail, he had three little pistols. Somebody sold him one—live downstairs in the neighborhood—but when he moved in the new house, he had no permission paper, and he took those guns in the plant, made a little compartment—he was carpenter by trade—and he put in there. Me and my brother Gasper know nothing about it. If I known, I throw them in the river. I am on the parole and happen a little fire—I must have leave cigarette myself or someone must have done. They discover those guns. I am ready to go out hunting. Five or six police come over to my house. I am cleaning my rifle to go hunting. "You must come to the station. We want to see you." They ask me where are Gasper and Matthew. Matthew worked at Stove Company and worked at night at Bohn Aluminum—two jobs. He want to pay his house. They went out, got my brothers, got me, and then my brother say he find one. They show me. I never see those things in my life. I told them I got pistol home, registered. I got rifle, a lot of shells. Whatever shells I find, I buy. You know, I go hunting. If I can buy a box of shells, I be glad to get them.

The COURT. This fellow here goes hunting?

The WITNESS. Yes; I heard he go hunting.

The COURT. This fellow right here is a dead shot.

The WITNESS. I don't know. And I had a lot of shells. I told them I got a lot of shells, I got two pistols registered, and I got shotgun, and my brother told the truth. We don't even go in the court. Went out \$10,000 bond. It costs \$1,000 each, me and my brother Gasper.

The COURT. What lawyer did you have?

The WITNESS. Lawyer Bellanca, and it cost me a lot of money for the lawyer, and I didn't even went to the court. My brother told the truth, and who give him those guns. I never have no trouble. I went back to the FBI, they give me all my guns back, my shells back, and my pistols back, and was disgrace, like you people disgrace me today.

By Mr. GARBER:

Q. What about the dynamite caps?—A. My brother Gasper drill a well. While we were away, he went down, take a piece of rope—crazy young guy, he have the rope—when he took the gun he took this little piece of rope.

Q. A fuse?—A. He takes them out of his house. He's afraid to have them in his house.

Q. Why were they in your locker?—A. Not in my locker, your Honor. They was in his own locker. There was three lockers. I was on the corner, he was in the center, and Gasper in the other corner.

Q. Do you know Mr. Valenti?—A. Who?

Q. Valenti?—A. No.

Q. He was an assistant prosecutor?—A. I don't know.

Q. You were in front of him?—A. That's right. Now, I know. I know the name Valenti, was prosecutor, Valenti.

Q. What were you doing in front of him when you were waving the gun out here in front of the Detroit Stove Works?—A. That time I went to Mr. Valenti, this man right there, he come to the factory, he want to see me. There was a fellow by the name of Mazzola was talking to a friend he know from the old country. He worked in the plant there 35 years, with me. I was talking to him, and this guy told me, "Don't talk to this guy." I said, "Who are you? Are you Hitler? Why should I not talk to this man?"

The COURT. Who told you not to talk?

The WITNESS. A guy in the plant, Mazzola, I know. This gentleman knows about it. He says to me, "I don't want you to talk to him." I don't want to fight in the shop—get little fight, get tough, scratch. He said, "I want to see you outside."

The COURT. This Mazzola?

The WITNESS. He went outside and he went away with his car, with the police, and I went away about my business, and he come over there, want me over there to see Mr. Fry, and I took this man in front of him—

The COURT. What man?

The WITNESS. This man right there.

The COURT. Detective DeLammilleure?

The WITNESS. And the prosecutor and Valenti, and this man was talking.

The COURT. About what?

The WITNESS. About union stuff, like that. I said I was not talking about union. They let me go. We shook hands—you mind your business, I mind my business. He went home. I been friendly with him. Say "Hello" to him. We mind our business. We shook hands in front of the office, and we never had no trouble.

By Mr. GARBER:

Q. Did Mrs. Thompson ever hire you or ask you to get her somebody to do a job on Helen Budnik?—A. I never meet her. I don't know anybody.

Q. Did Mr. Gentile ever ask you?—A. Nobody ever ask me—never talked about it.

Q. Mr. Coco?—A. Never ask me for nothing. Mr. Coco.

Q. I know, but did they ever ask you to get somebody to do a job on Helen Budnik?—A. I never talk to Mr. Coco, maybe ten years I don't talk to him. Maybe I wouldn't know to see him.

Q. Who did you hire to kill Mrs. Thompson?—A. I never hire. What do I want to kill for?

Q. For money?—A. I don't need the money.

Q. Well, who did you hire to beat these guys up at the Briggs?—A. I never hire nobody.

Q. Who did it?—A. How do I know?

Q. Did you do it?—A. I never touch nobody. I never had no fight with nobody.

Q. I didn't say "fight."—Hit on the head with a lead pipe?—A. I can't even hit a fly.

Q. You cracked a lot of heads in 1934?—A. I never did.

Q. You and your brother went to Grand Rapids?—A. I never been to Grand Rapids.

Q. Did you ever go to Battle Creek?—A. I go to Battle Creek in the Stove Company. I want to buy some big dies, scrap.

Q. What year was that?—A. Since they bought the plant, Mr. Fry.

Q. You were up there in 1935 and 1936 to settle a strike, you and Gasper?—A. I never been there.

Q. Do you know Mr. Smith, the president of the stove company?—A. I met Mr. Smith. He come to the stove works, every week.

Q. Didn't you break a strike—weren't you hired to break that strike?—A. Never hired by nobody.

Q. When did you break that strike?—A. I never break no strike.

Q. Mr. Smith paid you for coming up to break the strike?—A. He never did.

Q. Who did he pay?—A. I don't know who.

Q. Did he pay Gasper?—A. My brother never get paid.

Q. You never went up to break a strike?—A. Never did.

Q. You've never been in Battle Creek?—A. Been there once.

Q. What did you go for?—A. I want to buy some scrap. They don't even sell to me.

The COURT. Where is that stove works up there—is it Battle Creek or Muskegon?

The WITNESS. It's in Battle Creek.

By Mr. GARBER:

Q. Who was president of it?—A. I know Mr. Fry is president.

Q. Who was the president?—A. Mr. Smith.

Q. How did you meet Mr. Smith?—A. I met him in the stove company.

Q. What stove company?—A. At the office.

The COURT. Michigan Stove?

The WITNESS. Michigan Stove.

By Mr. GARBER:

Q. Who introduced you to him?—A. Mr. Fry.

Q. How long ago?—A. A long time ago.

Q. Before you went up to break that strike?—A. No; I never went to break no strike, your Honor.

Q. Did you go up there and stay a few days?—A. I never stay a few days. I went with the car and turn right back.

Q. Did Gasper stay?—A. Gasper never been there, I think.

Q. You don't know anything about that? If Mr. Smith says you and Gasper were brought up there to break the strike, he is not telling the truth?—A. He's a liar, if he said that.

Q. If he said Mr. Fry sent you up there?—A. No; never sent me no place, Mr. Fry.

Q. Who got you out of jail after 20 months?—A. Nobody got me out.

Q. How did you get out?—A. I pay my revenue tax, and the parole man gave me parole.

Q. What was your sentence?—A. What?

Q. How long were you sent there for?—A. Six years.

Q. And you got out after two and a half years?—A. 29 months.

Q. Did you plead guilty or were you tried?—A. Sure, I plead guilty.

Q. Who was your lawyer?—A. McDonald. You know, he used to be prosecutor.

Q. McDonald, a redhead?—A. Not redhead—a big, slim fellow, you know, used to be prosecuting attorney in the Federal Court, McDonald.

Q. When did you first hire Colombo at any time? When did you ever use him before?—A. Colombo?

Q. Yes.—A. Well, I know Colombo for years. I know Colombo for 35 years.

The COURT. I know, but when was he first acting as your lawyer? You had McDonald.

Mr. GARBER. Bellanca.

The WITNESS. Bellanca, he come over himself. I don't hire him at all. I want to get Colombo, see.

By Mr. GARBER:

Q. When did you first hire Colombo?—A. I was arrested—a little fight I had in a dance hall, you know, 1920, or '18, see, in there, and he got me out of the jail. Since that time I know him, see.

The COURT. Did you ever have him since that time?

The WITNESS. Sure.

The COURT. When?

The WITNESS. I don't remember, your Honor.

By Mr. GARBER:

Q. What did you hire him for?—A. What?

Q. What did you hire him for afterwards?—A. I was arrested for suspicion, something like that.

Q. Suspicion of what?—A. The police pick me up on the street, be two or three young guys in a car, and take us in.

Q. How many times did that happen?—A. That happen a few times. I don't really remember how many times, two or three times.

The COURT. So many times you can't remember?

The WITNESS. Well, it's a long time, I never been in trouble, never been picked up.

The COURT. You made a lot of money the last few years. You didn't have to be in the police station.

By Mr. GARBER:

Q. You were in here three years ago?—A. I always been making money. I been working at the Stove Company all the time, \$90, \$100 a week.

Q. You were picked up a little while ago, and you were down at the police station when you saw Mr. DeLamilleure. You were picked up in 1942, when they found guns and dynamite in your car?—A. In my car?

Q. Well, your locker.—A. They didn't belong to me, your Honor.

Q. When else were you picked up?—A. Picked up? You see, I don't remember, you see.

Q. What were you picked up for?—A. Just for suspicion.

Q. Of what?—A. The police see two or three guys in a car, call us in.

Q. Who got you out of Leavenworth?—A. Out of Leavenworth?

Q. Yes.—A. Nobody got me out. They give me parole, get me out.

Q. Did Mr. Fry try to get you out?—A. No.

Q. He didn't do a thing?—A. Maybe sent a letter of recommendation, all I know. A lot of people sent me a letter of recommendation. Even Mr. Martel sent me a letter of recommendation.

Q. What Martel?—A. Frank Martel, A. F. of L. I am union, you know, and I am still in the union.

Q. Did you ever see the recommendation Mr. Fry sent for you?—A. No; they don't show it to me. They told me they had recommendation from Mr. Fry. I was in jail. A lot of people—my family went after everybody and they sent letters.



The COURT. Did Gasper go to jail too?

The WITNESS. Both the same time, two brothers.

The COURT. Did he get out the same time?

The WITNESS. He got out two weeks before me. His wife had operation. They made parole and he go right away.

The COURT. Matthew too?

The WITNESS. No. He took care of our business.

The COURT. He didn't go to jail?

The WITNESS. No; he didn't have to.

By Mr. GARBER:

Q. Where did you have your still?—A. I don't have a still.

Q. Who had the still?—A. Somebody else. I don't want to do this moonshine business. I had a little money I put in. I was working. They beg me, "You put the money, we do the work," and I was making a little profit out of it, and my brother Gasper, he don't have nothing to do with it. Still they give six years. I was the one doing the monkey business with the guy.

Q. He plead guilty too?—A. The lawyer tell him, "Plead guilty, they give you probation." We both done what the lawyer tell us to do.

Q. What judge?—A. Judge Lederle. Judge Lederle sent letter of recommendation to us, too. If it be good behavior, give him parole.

Q. Was he a judge in 1935?—A. No. I got convicted in 1937—late '36 and '37.

The COURT. Late in 1937?

The WITNESS. Yes.

By Mr. GARBER:

Q. Well, Gasper got convicted in 1935, too, didn't he?—A. No.

Q. Well, the only time you were ever convicted was for that liquor charge?—A. That's all.

Q. Who were you working with in those days? Who was running the still?—

A. Some workingmen, you see.

Q. From the Michigan Stove Works?—A. No.

Q. Is he still in town?—A. Who?

Q. The man you were connected with?—A. No. The man was in jail. He went to St. Louis, I don't know where he is.

Q. Did he go to jail, too?—A. He had trouble with his wife; he go to St. Louis. I don't even know where he is.

Q. He's in St. Louis?—A. Yes.

Q. He didn't get convicted of having liquor?—A. Yes. He skip bond, run away.

Q. He jumped his bond?—A. He jumped his bond.

Q. The last you knew of him he was in St. Louis?—A. Yes; he went to St. Louis, and they got him in St. Louis.

Q. You have got quite a gang, haven't you?—A. I ain't got no gang, nobody. I got my family gang.

Q. You got your family gang?—A. Yes; three daughters, wife, and little grandson.

Q. Do you use your son-in-law on any of these jobs?—A. My son-in-law never do no job to nobody.

Q. Well, you are known as the king of the Italians?—A. Who?

Q. You.—A. Me? I am king of my own family, Italians.

Q. You are also king of a lot of families, aren't you?—A. No, I don't know nobody, no family.

Q. They are all afraid of you?—A. I never scare nobody.

Q. Why are they afraid of you?—A. Nobody ever said to me they are afraid of me.

Q. They didn't say it to you. They have said it to a lot of other people.—A. I don't know what the other people say.

Q. What are the Gentiles afraid of you for?—A. I never talk to him. I don't see why he should be afraid. He never tell me he's afraid. It's my uncle.

Q. Why is he afraid of you?—A. I don't know he's afraid.

Q. Was Dean Robinson ever up to your hunting camp?—A. I don't know who he is.

Q. Wait a minute. Was Dean Robinson ever up to your hunting camp?—A. I don't know nobody by the name.

Q. You never heard of it?—A. What is it? Police officer, or what?

Q. A man out at Briggs.

The COURT. The top man at Briggs.

The WITNESS. I don't know.

By Mr. GARBER:

Q. Was he ever up there when you were there?—A. I never see the man.

Q. You don't know the man. Well, was he ever up to your camp?—A. I never see. I don't know who he is.

Q. Did your son-in-law ever have him up there?—A. My son-in-law never goes up there alone. He goes with me.

Q. Why did you go around with your son-in-law when he was getting these contracts to get the Continental Metal Company to sign up with him?—A. I went with him—happened to be with him, and he take me along one time, I was with him.

Q. What did you go along for?—A. Well, he says, "You want to come along with me? I have to see some Jews," you know, and I went with him.

Q. How did your son-in-law get that contract with Briggs?—A. Well, I don't know, your Honor.

The COURT. He didn't have any money.

The WITNESS. Well, he asked me for \$5,000 and I give it to him. He said he was going to buy scrap.

The COURT. He had no equipment.

The WITNESS. Well, he was going to buy equipment.

The COURT. What?

The WITNESS. Buy or rent it.

The COURT. The time he got the contract, he lived in the same house you lived in?

The WITNESS. Well, I never know when he got the contract. I never asked him.

By Mr. GARBER:

Q. Do you know what he is doing for a living?—A. I know he buys scrap and sells scrap.

Q. Where?—A. He told me he buys scrap from Briggs.

Q. You know that?—A. He try to buy scrap from Ford.

The COURT. Did you go with him to Ford's?

The WITNESS. No.

The COURT. Did you go with him to Murray Body?

The WITNESS. I never go no place.

The COURT. How did he get the contract with Briggs?

The WITNESS. I don't know.

The COURT. Was Dean Robinson ever up to your camp?

The WITNESS. I don't know who he is.

The COURT. Did Dean Robinson give him the contract?

The WITNESS. I don't know.

The COURT. You know he got one?

The WITNESS. I don't know. He said he got a contract.

The COURT. He makes more money from Briggs than you make from the Stove Works?

The WITNESS. I don't know what he makes.

The COURT. How long have you been at the Stove Works?

The WITNESS. 36, 37 years—since 1912.

The COURT. He's only got the contract a year and a half now, and he makes more than you?

The WITNESS. I don't know how much he makes.

The COURT. How much is he making over there?

The WITNESS. I don't know, your Honor. I never asked him.

By Mr. GARBER:

Q. How much do you make off the salvage out at the Stove Works?—A. Well, I never figured out. I know I make around about—see, I get my scrap and turn my slip in, do my work, and take how much scrap I take, out of the check. Even if I order a stove for a friend of mine, take everything out, I get five or six thousand a month.

The COURT. Five or six thousand dollars a month?

The WITNESS. Yes; I got five trucks that work and seven men.

The COURT. How much profit is in that?

The WITNESS. Well, profit would be—profit I make with the scrap, close to four thousand dollars a month.

The COURT. Profit?

The WITNESS. Profit; yes.

By Mr. GARBER:

Q. You showed us a check for \$4,500 one night over at the police station.—A. Yes.

Q. Would that be about one month's profit?—A. Yes, about one month's profit, because I pay the man. It run about \$3,000, \$4,000 clear profit.

The COURT. How many years did you go to school in Italy?

The WITNESS. I went to school around seven or eight years in school.

The COURT. You never went to school in this country?

The WITNESS. I never went to school in this country. I went to night school, try to learn, see everybody playing, I don't go no more—when I first came to this country.

By Mr. GARBER:

Q. You only went to the third year. What does that mean?—A. What?

Q. You told us this morning you only went to the third year.—A. Third grade. I stay two years, three years each grade.

Q. You were smart enough you didn't have to go to school?—A. I was not smart. I was dumb. I used to go swimming instead of going to school.

The COURT. How much are you worth, Sam?

The WITNESS. How much am I worth?

The COURT. Yes.

The WITNESS. I got \$32,000 my son-in-law want to give me the other day. I said, "If you got it and want to, pay me." And I got \$11,000 I got with stock in the Stove Company shares, and I got some cash my wife handles. I got about \$10,000 in the bank, you know. I got checks here the other day and went to put in the bank \$5,000 in the savings bank and I got around \$3,000 or a little better, \$4,000 in the checkbook to pay my men, so every time, every week I make my payroll.

By Mr. GARBER:

Q. Have you got a safety deposit box?—A. No; I never had one. My wife got one.

Q. How much has she got in there?—A. I don't think she got any money in there.

Q. How much stock has she got in there?—A. Around eleven thousand.

Q. How many bonds have you got?—A. I don't know if she got any bonds.

The COURT. War bonds?

The WITNESS. I think she got some, you know.

The COURT. With all that money, you were buying bonds during the war?

The WITNESS. What I do, Your Honor, I give my wife check and she handle everything. She pay gas bill, pay repairs—

The COURT. That's only peanuts.

By Mr. GARBER:

Q. Out of three or four thousand dollars a month that wouldn't dent it.—A. What?

Q. Out of three or four thousand dollars a month that wouldn't dent it. Where is the rest of it?—A. We save it.

Q. Where have you got it?—A. I bought \$11,000 worth of shares.

The COURT. When did you buy that?

The WITNESS. I don't know if—

By Mr. GARBER:

Q. You mean you have 11,000 shares?—A. Yes, that's right.

Q. How much a share?—A. I don't know how much they pay. My wife bought it, you know. My son-in-law went and bought it for me, see.

Q. Which son-in-law?—A. Carl.

Q. Did you pay around \$10 a share?—A. I think I pay more than \$10 a share.

Q. You got 11,000 shares?—A. Eleven thousand worth of shares.

The COURT. \$11,000 worth?

The WITNESS. I don't know how many shares.

The COURT. But you have \$11,000 in it?

The WITNESS. Yes, \$11,000 in it, and be getting three to four hundred dividends, they call it. That's a little higher now.

The COURT. You own a house on Townsend?

The WITNESS. Yes.

The COURT. What's that number?

The WITNESS. 616, 614 Townsend, double family flat.

The COURT. Two flats?

The WITNESS. Yes, sir, I buy it before I got married.

The COURT. How much did you pay for that?

The WITNESS. I pay \$5,000 at that time. Now I want to sell, all I get is six thousand. I'm going to keep it.

The COURT. You bought it before you got married?

The WITNESS. Before I got married.

The COURT. You have been married since 1921?

The WITNESS. 1921

The COURT. You came over here in 1912?

The WITNESS. Yes, sir.

The COURT. And in nine years you bought the house for cash?

The WITNESS. No, I don't. I pay a few thousand down; pay seventy to one hundred every month.

The COURT. Do you own any other property?

The WITNESS. A cabin up north.

The COURT. How many acres?

The WITNESS. 40 acres of land—40 acres, and I pay \$1,500 cash.

The COURT. Where is that?

The WITNESS. Cummings.

The COURT. Cummings, Michigan?

The WITNESS. That's about four or five miles into Cummings.

By Mr. GARBER:

Q. What's the name of the people in that house on Townsend? Who lives there?—A. One is a molder, he works in the Stove Works. He's a committeeman, see.

Q. What's his name?—A. They call him John. I can't spell that name.

The COURT. An Italian name?

The WITNESS. No, American—both American—one living upstairs, one living downstairs.

The COURT. What's the other fellow's name?

The WITNESS. I don't know the name, to tell you the truth.

The COURT. How long have they lived there?

The WITNESS. The one upstairs lived there a few years, John Offers is the one works in the Stove Works, he's downstairs.

By Mr. GARBER:

Q. Does he work for you?—A. No; for the company—he work for the company, and the one lives upstairs, I try to make him move out of the house, because he drink too much, make a lot of noise. I can't move him out. He stay in there. I can't remember the name.

Q. How long have you been making this three thousand dollars or four thousand dollars a month?—A. Well, I got five trucks in there.

Q. How long have you been making that \$3,000 or \$4,000 a month?—A. Well, when we come out of Leavenworth, they give us a contract, run the corerom. We used to make, both brothers, twenty-five, thirty thousand dollars a year, me and Gasper.

The COURT. Together or apiece?

The WITNESS. Together; and now, since we split, about three years ago, he took the corerom and I took the trucking, and scrap business. We split partners and I don't know if I made fifty thousand, fifty-two thousand, the whole business, and I had left about twenty-five, thirty thousand profit.

The COURT. You took about fifty or fifty-two thousand gross?

The WITNESS. Gross; yes.

The COURT. And net about \$25,000.

The WITNESS. Something like that. I never figured out. I have an idea it would be that much. I got a man I pay \$100 a month. He do all the work—what I pay out, what I get in.

By Mr. GARBER:

Q. Who is your auditor?—A. A fellow lives in Grosse Pointe. He works for the County Building, you know.

Q. What's his name?—A. I don't know his name.

Q. How do you get hold of him?—A. I don't call him. He comes to the house himself.

Q. What's his name?—A. If I could call my wife, she would know his name.

Q. If your wife ever died, you wouldn't be able to do anything.—A. My wife can do everything. She write and read in English.

The COURT. Was she born in Italy?

The WITNESS. Born in Italy—came over here younger—went to school here.

The COURT. Was she born in Sicily?

The WITNESS. Sicily; yes.

The COURT. You are all Sicilians?

The WITNESS. Sicilians, right.

The COURT. Every one of you fellows—Gentile is a Sicilian?

The WITNESS. Gentile is a Sicilian. Of course, theirs is a different town. He's from a different town than I come from.

The COURT. You come from Sicily, all you brothers?

The WITNESS. That's right.

The COURT. Coco comes from Sicily?

The WITNESS. That's right.

The COURT. Gentile comes from Sicily?

The WITNESS. That's right.

The COURT. Your wife came as a little girl?

The WITNESS. A little girl.

The COURT. She talks good English, does she?

The WITNESS. Sure she does. If I could talk like my wife.

By Mr. GARBER:

Q. She knows the man's name that makes up your income tax?—A. Yes; Mr. Conner, they call him.

Q. Where is his office? A. I don't know. He works for the County Building. He takes care of everything.

The COURT. He works there now?

The WITNESS. He works there.

The COURT. In the County Building?

The WITNESS. In the County Building.

The COURT. The treasurer's office or where?

The WITNESS. I don't know where he works. He said he works in the County Building.

The COURT. How do you get hold of him?

The WITNESS. I don't know. My wife find. I don't find.

B. Mr. GARBER:

Q. What is his first name?—A. Well I don't know, your Honor.

Q. Who does he work for?—A. He works for the County Building, that's what my wife tell me. I say, "What does he do?" She say, "He's a clerk, working in the County Building," see.

Q. How many years have you had him working for you?—A. I don't know if it's a year and a half or 2 years, you know.

Q. You say your son-in-law wanted to pay you the \$32,000 he owed you?—A. Yes.

Q. Didn't you take it?—A. I told him, if you need it, keep it, see.

Q. Does he pay you any interest?—A. Interest? No. I take interest from my son-in-law? I don't even let him pay rent for the house.

Q. He lives for nothing?—A. He's my son-in-law.

Q. He's got more money than you have?—A. Well, I am glad. I wish he had lots more.

Q. You haven't any more daughters not married about my age, have you?—A. No; I got one, she's in college right now.

The COURT. What college?

The WITNESS. Some place in New Jersey.

The COURT. What's the name?

The WITNESS. I don't know the name of the school.

The COURT. The name of your daughter?

The WITNESS. Pauline.

The COURT. You don't know the name of the school?

The WITNESS. My wife took her over, and when my daughter got married Sunday, she left her at the train.

The COURT. How old is that girl?

The WITNESS. Seventeen.

The COURT. The daughter who is married to Renda is how old?

The WITNESS. She must be about 23.

The COURT. And the daughter that married the fellow that has the gas station—

The WITNESS. About 20 years old.

The COURT. Who runs the gas station now?

The WITNESS. His young brother.

The COURT. What's his name?

The WITNESS. I'm all puzzled up with the name. They call him Gus.

The COURT. What's his last name?

The WITNESS. Gus—doggone—Orlando.

By Mr. GARBER:

Q. How long have you had the gas station?—A. I got the gas station while the war was on, around three years.

Q. You have it 3 years?—A. I think it would be around about that much—2½, three years.

The COURT. What are you doing telephoning up to Keego Harbor?

The WITNESS. Telephoning to Keego Harbor?

The COURT. Yes; up at Orchard Lake.

The WITNESS. I never called, your Honor.

The COURT. Who calls up Orchard Lake from your place?

The WITNESS. I never heard nobody call from my place.

The COURT. Well, the calls went in from there.

The WITNESS. I never called.

The COURT. Do you know Gerald O'Brien up there?

The WITNESS. I don't know.

The COURT. You don't know him?

The WITNESS. Never see.

The COURT. You never heard of him?

By Mr. GARBER:

Q. Do you know anybody by the name of Morton?—A. Martin?

Q. Yes.—A. I know the Jew boy, Charles Martin.

Q. Yes; I know. But up at Keego Harbor, up there where Mrs. Thompson lived?—A. I don't know.

Q. A woman.—A. I never heard.

Q. You never called her?—A. I never called nobody.

Q. Have you ever been hunting up there where that body was dropped?—A. No, sir.

Q. How do you know?—A. How do I know?

Q. How do you know you have never been hunting up there?—A. I don't know.

Q. Where was the body found?—A. I don't know.

Q. How do you know you haven't been there?—A. You said, "been hunting."

Q. No; I said, have you ever been hunting up where the body was found?—A. I never been up where the body was.

Q. Have you ever been hunting?—A. I don't know where the body was.

Q. Have you ever been hunting up there?—A. I don't know where the body was.

Q. How did you cut her throat?—A. I never cut the throat of nobody.

Q. What did you hit her on the back of the ear with?—A. I never done that, your Honor.

Q. Do you know who did it?—A. I don't know.

Q. Did Gentile do it?—A. I don't know if he did.

Q. Did you ever ask him if he did?—A. Sure. I ask him. He said he don't know.

Q. When did you ask him?—A. The time the police send me.

Q. What did you tell him?—A. Well, I told him—

Q. Didn't you tell Gentile the day you were up there with this other Italian boy if he told on you, you would break his neck?—A. I never did. Why should I tell him?

Q. What did you tell him?—A. I never did.

Q. What did you tell him?—A. I asked him if he knew anybody done it?

Q. Who was with you?—A. I never had anybody with me except the police.

Q. Who was with you, your son-in-law?—A. No, sir.

Q. Have you got any hunting knives?—A. Sure. I got hunting knife.

Q. Is that what you used to cut her throat?—A. No, sir.

Q. Have you got hand axes?—A. Sure, I got hand axes.

Q. Did you use that?—A. No, sir.

Q. What do you use them for?—A. I use when I go to my camp, take everything along with you, hunting knife, ax. I had a wonderful present this year, you know.

Q. What did you have in 1945?—A. What?

Q. How many did you have in 1945?—A. I don't have any in 1945.

Q. Why did you get a new one?—A. I ain't. They bought it for me, a new one.

Q. Who?—A. I got it home. My son-in-law bought it for Christmas present.

Q. What happened to the old one you had?—A. I never had an old one.

Q. Didn't you always have one?—A. I always got laying around the cabin.

The COURT. You just said you bring up the knives?

The WITNESS. Well, the knife I take it back. I got ax up there, a big one to chop the wood.

The COURT. And you got a little one at home?

The WITNESS. A brand new one home.

The COURT. You had an old one home?

The WITNESS. I don't know if I got it or not.

By Mr. GARBER:

Q. Where is the old one?—A. If I got it, I got it home.

Q. Why don't you know if you got it or not?—A. Because I got so many things laying around the house, I don't know if I got it.

Q. What are you mad at Gasper for?—A. When this happen at the Stove Works, he don't want to pay half the money for the other brother. The other brother don't have much money, and I say we pay fifty-fifty, you and I.

Q. What money did you have to pay?—A. Well, bond money and lawyer money, and he don't want to pay. He says, "You write our brother, always want him to come to this country. He come over, he got in trouble. You pay." I say, "You feel you don't want to do anything for my brother. You go ahead." We split the business. I never talked to my brother since that time, three years ago.

Q. Which one of your brothers got in trouble?—A. Matthew.

Q. What did he get in trouble over?—A. With the guns.

Q. What did the other one get in trouble over?—A. He never got in trouble. He stayed one year and died in this country.

Q. That isn't the first time Matthew got in trouble?—A. The first time.

Q. Over the guns?—A. Over the guns.

Q. It cost you \$1,000 to get out on bond?—A. And \$1,000 for Gasper.

Q. And how much to get Matthew out?—A. The lawyer charge around four or five thousand—was around six thousand, the whole thing.

Q. You wanted to pay half of it?—A. I wanted to pay half of it. My brother had a lawyer come after me, want to sue me. He don't want to pay anything. When he come after me, he start to sue me.

Q. What lawyer?—A. Bellanca.

Q. He was going to sue you?—A. Yes.

Q. He charged you how much?—A. Four thousand some dollars.

Q. He was going to sue you because you didn't pay?—A. He didn't want to pay. He want my brother Matthew to pay. He say, "It wasn't my fault he have the gun over there." I told Gasper, "You pay half, I pay half." I didn't want to be sued. He turn around and say he don't want to. I lost Gasper and I lost the other brother; the other brother died.

Q. And you lost the \$4,000?—A. And I lost the money.

Q. So you and Gasper haven't spoken since?—A. Since then haven't spoken together, just for that.

Q. Did you have Gasper to your wedding?—A. No; he don't come in.

Q. Did you go to his wedding?—A. I went to his wedding because I like his kids.

Q. Who invited you?—A. His wife.

Q. Did you have any trouble about it?—A. No. What trouble I have?

Q. You had a lot of trouble. Did you ever meet Mr. Dean Robinson?—A. I don't know who he is.

Q. Did you ever meet him?—A. I don't know who the man is.

Q. Well, he's the man your son-in-law got the contract from out at Briggs.—A. I never met nobody in Briggs.

Q. I didn't say you met him in Briggs. Where did you meet him?—A. I never met him no place. I don't know nobody in Briggs.

Q. Were you surprised when he got the contract out to Briggs?—A. Why should I be surprised? It's none of my business.

Q. Well, did you ask him how he got it?—A. I don't ask him his business.

Q. Well, he wanted to borrow \$5,000 from you.—A. Well, when he borrowed it, he told me he's going to buy scrap, and I lend it.

Q. Did you ask him where he was going to buy it?—A. He told me he was going to buy scrap from Briggs.

Q. Did he tell you how he got the deal?—A. No, I never asked him.

Q. Did you talk to Charles Martin about it?—A. No.

Q. Did you ever know there was an understanding they were to beat people up for that scrap contract?—A. I don't know nothing.

Q. What do you know about those five beatings?—A. I don't know nothing.

Q. You knew five people were beaten up out at the Briggs?—A. I don't know people are beaten up.

Q. Wasn't that the reason your son-in-law got the contract?—A. I don't know nothing about it.

Q. Did you furnish the men to do those beatings?—A. I don't furnish nothing. Why should I beat the people for?

Q. So he would get the scrap contract.—A. How is he going to get the scrap if he beats the people?

Q. Well, you know what I am talking about.—A. I don't know, your Honor.

Q. Did he ever give you an interest in that business?—A. I don't need nobody's interest. I got enough about my own interest.

The COURT. Do you know anything about the Thompsons at all?

The WITNESS. How do I know? I don't know the people.

The COURT. Did Gentiles ever tell you anything about the Thompsons?

The WITNESS. Never tell me nothing. I never go to the people's house.

The COURT. Well, here, you made a statement on November 5, 1945, at the prosecutor's office in Pontiac, didn't you?

The WITNESS. Yes.

The COURT. What?

The WITNESS. I don't know if it was in 1945.

The COURT. That was it, November 1, 1945, and Captain Leonard was there, from the State Police, and Glover was there, the officer, and Mr. Syler, from the State Police.

The WITNESS. Well, I did know the name, you know. I know Glover, you know, and I know Sheehy. Mr. Leonard was sitting by me. He say, "I am Mr. Leonard." He give me a cigarette. That's the first time I see him. I don't know who he was.

The COURT. You know the Gentiles?

The WITNESS. Who, the Gentiles?

The COURT. You know Gentile?

The WITNESS. My uncle, sure, I know my uncle.

By Mr. GARBER:

Q. When you talked to Gentile, what did he say about jumping in the river?—A. Well, he was so scared, you know.

Q. Of who, you?—A. Not me. "I afraid I might get killed from Mr. Thomas."

Q. Mr. Thompson?—A. Yes. "I feel like I go out and jump in the river." And I went in the Stove Company and I notified the boss. I went up to the old man, he was crying.

Q. Who was crying?—A. The old man. He said, "I feel like I jump in the river," because I did ask in the shop if he knows anybody goes out with this woman, anything about it, and he says, "I feel like I go jump in the river," the old man. He tell me he don't know nothing.

The COURT. What's he going to jump in the river for?

The WITNESS. Well, he's a man never been in trouble, and he's preach, you know, he's preach, you know, in the church.

The COURT. He's a preacher for the Christian Science Church?

The WITNESS. That's right, and he's so honest. He figure they think he nok something about it. He said, "I don't know nothing. I feel like I jump in the river," see.

The COURT. How did he happen to go out there and identify that body?

The WITNESS. Well, I don't know.

The COURT. He knew she was going to get killed, didn't he?

The WITNESS. I don't know nothing about it.

The COURT. Who was going to do that job?



The WITNESS. I don't know about it, your Honor. How am I going to know? I never see these people, never know in my life.

By Mr. GARBNER:

Q. Who did the job of the beatings at the Briggs plant?—A. I don't know anything about the Briggs plant.

Q. You know they were beaten up, don't you?—A. I don't know.

The COURT. What kind of a car were you driving in October 1945?

The WITNESS. I had Mercury or Ford, one of the two.

The COURT. One of the two?

The WITNESS. Yes.

By Mr. GARBNER:

Q. What was the blood in the car when you went out there?—A. It was a Packard. I had a turkey in the car.

Q. A Packard?—A. Packard car, and I had a turkey in there, and some pheasant, the day the season opened.

Q. And there was blood in the car?—A. And the pheasant and the turkey were in there alive, and got all crippled up, bump in the box and see there was blood of the pheasant and turkey.

Q. Have you got that Packard car now?—A. No.

Q. Where is it?—A. I sold it to this man, Vivona.

Q. Where is he?—A. He's in the old country.

Q. You don't know where the car is?—A. No, I don't know where it is. See, they checked the blood of the pheasant, and I offered them to leave the car there when I was in Pontiac, when I went with my car.

Q. Have you one of those little trailers you put behind the car?—A. Yes, I got one I put on the jeep.

Q. A trailer for the jeep?—A. Yes, I bought this year when I go deer hunting. A little small trailer, a jeep trailer. I never use it before.

Q. Did you have one in 1945?—A. No.

The COURT. Well, what did your uncle, Gentile—why was he so disturbed that he wanted to jump in the river?

The WITNESS. Because he was blame his wife, you know, lend her the money. Now, he says, "I am in trouble." He was so worried, scared, when he was questioned by the police.

The COURT. How much money did he lend Mrs. Thompson?

The WITNESS. He said he lend \$1,500. I don't know, you know.

The COURT. When is the last time you were up to the Thompson house?

The WITNESS. I never been to the Thompson house. I never been in his house. I don't know where he lives.

The COURT. Who did you send up there?

The WITNESS. Nobody. I never send nobody, your Honor.

The COURT. When is the last time you were over to the Gentiles farm over there?

The WITNESS. I never been. I don't know where his farm is over there.

The COURT. What does the house look like?

The WITNESS. I never see the house. I never see the farm, your Honor.

The COURT. Did you send somebody out that night she was killed?

The WITNESS. I never see the farm. I don't know he had a farm, till you people tell me. He never tell me he had a farm. You go ask Gentile. I never knew he had a farm.

The COURT. Did you do the job yourself?

The WITNESS. No, never—what job?

The COURT. What?

The WITNESS. What kind of job?

The COURT. On this woman here.

The WITNESS. I never touch no woman.

By Mr. GARBNER:

Q. Why does he accuse you of it?—A. What?

Q. Why does he accuse you of it?—A. I don't know.

The COURT. She says here—where is that paper? See what she says. Now, Sam, here's what she wrote. She wrote this note to her father, and it was in Russian, see, and we had it translated, you know, into English, and she wrote this: "Dear Father: If after this day you don't see me, and you don't hear anything of me, then go on Jefferson and find a man by the name of Sam Perrone

and ask him where I am. This is the doings of my husband. In all probability he is tired of me and intends to marry her." That's the girl. "Everything that belongs to me legally, I leave to you, Father." Signed "Lydia."

The WITNESS. I don't know anything about it.

The COURT. Well, you have a place of business on Jefferson Avenue, haven't you?

The WITNESS. I have a gas station on Jefferson.

The COURT. Jefferson, at the corner of Concord?

The WITNESS. Canton and Jefferson.

The COURT. Your name is Sam Perrone?

The WITNESS. They call me Sam Perrone—Santo Perrone.

The COURT. They call you Sam?

The WITNESS. Yes.

The COURT. Why should this woman write that when she was about to be killed?

The WITNESS. Well, I don't know anything about it. I don't know if she wrote it or didn't write it. I don't know.

Mr. GABER. Well, she wrote it.

The WITNESS. I don't know anything about it.

The COURT. And she knew your name?

The WITNESS. Everybody knows my name.

The COURT. Is there any other Sam Perrone in Detroit that you know?

The WITNESS. Look in the telephone numbers. There is Perrone.

The COURT. Is there anybody named Sam Perrone that has a business on Jefferson Avenue?

The WITNESS. I don't know.

The COURT. You are the only Sam Perrone on Jefferson Avenue?

The WITNESS. Maybe I am.

The COURT. You are the only Sam Perrone on Jefferson Avenue?

The WITNESS. Maybe I am.

The COURT. Well, you know that.

The WITNESS. I don't know anybody besides me.

The COURT. Your name is Sam Perrone, isn't it?

The WITNESS. Yes, sir.

The COURT. And you are in business in a gas station on Jefferson Avenue, is that right?

The WITNESS. Sure.

The COURT. And your wife is the niece of Gust Gentile, isn't that right?

The WITNESS. That's right.

The COURT. And Gust Gentile works for the Stove Works?

The WITNESS. Sure.

The COURT. You don't pay him, do you?

The WITNESS. No, I don't pay him. He works for the company.

The COURT. He works for the company?

The WITNESS. Why certainly.

The COURT. And Latona is a brother-in-law of Gentile?

The WITNESS. Of Gentile.

The COURT. And he works for the Stove Works?

The WITNESS. Sure.

The COURT. And the last night this woman lived, she slept in—strike it out, The last night this woman lived was Wednesday, October 10th, and that night she went to dinner, Mrs. Thompson went to dinner with Mrs. Latona, Mrs. Coco, and Mrs. Gentile. Then after dinner she returned to Latona's house, and Latona lives next door to Gentile, and she went to bed that night, and she slept in Latona's house. She slept with Mrs. Coco. Mrs. Coco should have gone home and slept with her husband, but she stayed there that night, and slept with Mrs. Thompson, and she got up the next morning and went to the bank with Mrs. Coco, and then took Mrs. Coco home, and afterwards that day she met Mrs. Coco again. Now, after the death they find this note in her home, and she says to her father, "If after this day you don't see me, and you don't hear anything of me, then go and find a man by the name of Sam Perrone and ask him where I am."

The WITNESS. Well, I don't know how she could write a note like that.

The COURT. Did she ever pay you any money?

The WITNESS. No, I never see the woman. How is she going to pay me any money?

The COURT. I may never see you, but I could still pay you money.

The WITNESS. Nobody pay me. The only people pay me is the Stove Works, where I work.

The COURT. Did you ever agree to do anything for her?

The WITNESS. I never see. How am I going to agree to do anything?

The COURT. Well, did you send out a couple of gunmen to help her out?

The WITNESS. No, never, never know these people. How am I going to send—they never talk to me. I never meet them in my life. I don't know my uncle's friends. You ask him if I know any other friend, anybody. I don't know his friends at all. The only time I see is at the Stove Company.

The COURT. Now, after you were up at Pontiac with the officers, you went to the Gentile home, didn't you?

The WITNESS. This was when the police send me.

The COURT. I know one night the police sent you and you went with your wife?

The WITNESS. My wife.

The COURT. And Mrs. Gentile and Mr. Gentile and you and you wife went out to the State Police.

The WITNESS. That's right.

The COURT. But before that——

The WITNESS. I went with the police.

The COURT. No, before that you went to Gentile's house.

The WITNESS. No.

The COURT. After you had seen the note?

The WITNESS. No, I never did.

The COURT. Well, you said you did before.

The WITNESS. I went with the police, that's the only time I went there.

The COURT. You went with Glover and Sheehy?

The WITNESS. That's right.

The COURT. Then you went another time?

The WITNESS. No.

The COURT. With an Italian?

The WITNESS. I never went back with no Italian.

The COURT. Was that the fellow, the Italian that did this job?

The WITNESS. I never went with no Italian.

By Mr. GARBET:

Q. Who is this Sam Perrone that lives on Holmcomb?—A. I don't know nobody.

Q. Has he got a place on Jefferson?—A. I don't know. I see there is a few—Sam Perrone, Joe Perrone, in the telephone book. A lot of times they call me, the telephone people, and I talk to them, and it's not the guy, you know—some other Perrone. They ask me if I am Joe Perrone. I tell them I am Sam Perrone, see, there's lots of Perrones.

The COURT. How do you pronounce it? Perrone or Perroni?

The WITNESS. Perrone, with the "i"—with the "i" at the last, Perrone.

The COURT. P-e-r-r-o-n-i?

The WITNESS. I write it myself sometimes with the "i", sometimes with the "e".

By Mr. GARBET:

Q. Who calls you Sasa?—A. Everybody from the old country call me Sasa.

The COURT. What does it mean in English?

The WITNESS. Nickname—when I was a baby, they call me Sasa.

Q. What does it mean in English?—A. Well, Sasa—he means—Sasa, that's my name, see.

Q. Translate the name.—A. Well, I could write you.

Q. Pasquale means William here?—A. Well, I can't tell you, just like my little grandson Vito Renda—Santo, they put my name in there, the name of the grandfather. I call Sasa to my little grandson.

The COURT. What did you have to do with this thing?

The WITNESS. What thing?

The COURT. What did you get mixed up in it for?

The WITNESS. I don't get mixed up. I don't know anything about it.

The COURT. Thompson got you in this deal?

The WITNESS. I don't know Thompson.

The COURT. Thompson got you in this deal?

The WITNESS. I don't know Thompson.

The COURT. How much money has Thompson paid you since 1945?

The WITNESS. I never see the man in my life. You go ask the man if I ever see.

The COURT. Who killed this woman?

The WITNESS. I don't know, your Honor.

By Mr. GARBER:

Q. Where is the Carson Motor Sales?—A. I don't know.

Q. You told them once you knew where it was?—A. No, sir, I never did.

Q. Do you remember making this statement at the prosecutor's office when Prosecutor Noggle out there asked you this question—do you remember being questioned by the prosecutor?—A. I don't remember, no.

Q. Well, you were questioned out there, weren't you?—A. Where?

Q. Pontiac?—A. Well, a year and a half—a year ago.

Q. Do you remember this question: "Do you know where the Carson Motor Sales is on Hamilton?" "Answer: Yes."—A. No, sir, I never did.

Q. You never made that answer?—A. I never made that answer.

Q. Do you know now where the Carson Motor Sales is?—A. No, sir.

The COURT. That Buick you had in October 1945, you sold it to a fellow—

The WITNESS. I never had a Buick, your Honor.

The COURT. I mean, the Packard.

The WITNESS. Yes.

The COURT. When did you sell it?

The WITNESS. I don't remember. It must be around a year ago, you know, eight months, something like that.

The COURT. What did the fellow do with the car?

The WITNESS. I don't know what he done with the car.

The COURT. What's the fellow's name?

The WITNESS. Vivona, all I know, the first name.

The COURT. You don't know his last name?

The WITNESS. He was a boy come from the army and he wants to buy a car, and I sold him the car, and then he sold his car and went back in the old country. He come over to visit me before he's gone back to the old country.

The COURT. Is he gone for good?

The WITNESS. He's going to come back here.

The COURT. Is that the guy that did the job?

The WITNESS. No, that guy is real nice. The job? I don't know who done the job.

By Mr. GARBER:

Q. How old was he?—A. He must be around 30 years old, 32.

The COURT. Think hard. Who is the Italian you brought up to Gentile's house?

The WITNESS. I don't know. I never brought no Italian.

The COURT. They examined that Packard car and found blood in it.

The WITNESS. I had a turkey in there and the pheasant. I had one live turkey in there. I bought it in Mount Clemens.

By Mr. GARBER:

Q. How would a live turkey get blood in there?—A. Well, started running around, bouncing around inside the car—broke his wing and everything. I had him tied up.

The COURT. Who cleaned the blood off?

The WITNESS. I don't clean the blood off.

The COURT. Who did?

The WITNESS. I leave it the way it was.

The COURT. It had the blood right there?

The WITNESS. Yes, they see it was pheasant blood.

The COURT. Was it much stained with blood?

The WITNESS. No, it was fresh from the turkey. I had the turkey right in the car.

The COURT. Did the officers examine the car?

The WITNESS. Sure, the officers examined the car.

The COURT. What officers?

The WITNESS. Pontiac.

The COURT. Did Glover examine it?

The WITNESS. Glover no was there that time.

The COURT. He didn't examine it?

The WITNESS. No, it was the sheriff, some other police officer. I don't know what was the name.

The COURT. How long did Glover stay up at your hunting camp this year?

The WITNESS. A couple or two or three days.

The COURT. How long did he stay last year, 1945?

The WITNESS. A couple of days.

The COURT. What time was he up there in 1945?

The WITNESS. What time, what do you mean?

The COURT. You know the season, what time?

The WITNESS. Well, I don't remember your Honor.

The COURT. Well, it was after the Thompson murder?

The WITNESS. Yes, it was after the Thompson murder.

The COURT. When was the first time you ever met Glover?

The WITNESS. Oh, I met Glover thirty years ago. We work in the factory together, before he gets the policeman.

The COURT. How long is he a policeman now?

The WITNESS. I don't know.

The COURT. Ten years, five?

The WITNESS. It must be more than ten years.

The COURT. But you knew Glover pretty well, in the foundry?

The WITNESS. Sure.

The COURT. He was a good friend of yours?

The WITNESS. Sure, good friend of mine.

The COURT. You don't know if Glover's wife is Italian or not?

The WITNESS. She's Italian.

The COURT. Does she speak Italian?

The WITNESS. I never speak Italian to her.

The COURT. She Sicilian, too?

The WITNESS. She's Northern Italy, I believe.

The COURT. Palermo?

The WITNESS. I don't know. I never ask the town she come from.

The COURT. Has Glover visited your home here?

The WITNESS. He never been to my home.

The COURT. How did you meet the wife?

The WITNESS. Well, sell them a stove. He got a beer garden on, what's the name, Conner, and the first time I take the stove over there—

The COURT. Who's got a beer garden?

The WITNESS. Glover, his wife, or his son, whoever it is.

The COURT. Does Glover run a beer garden?

The WITNESS. No, his son run it, and his wife, I guess.

The COURT. And his wife?

The WITNESS. Brother-in-law—the whole gang. I was up there once. I sell them a stove.

The COURT. You were in the beer garden?

The WITNESS. Once I was in the beer garden.

The COURT. You don't drink, yourself?

The WITNESS. I don't drink myself. I brought the stove.

The COURT. When the Detroit Stove sells a stove, you carry them away in your own trucks?

The WITNESS. Sure.

The COURT. In 1945 when Glover went up there, he didn't have hunting togs?

The WITNESS. No.

The COURT. Just street clothes?

The WITNESS. Clothes like we got ourselves right now.

The COURT. Do you know what part of October or November he was up there?

The WITNESS. I don't remember.

The COURT. When does the season open?

The WITNESS. Opens the 15th.

The COURT. Of what?

The WITNESS. November, I guess.

Mr. MOLL. Deer season.

The WITNESS. Yes.

Mr. MOLL. Yes.

The COURT. Before he went up there he was investigating the Thompson murder?

The WITNESS. Yes, sir.

The COURT. Was he over to your house?

The WITNESS. Not my house.

The COURT. He had you go over with Sheehy?

The WITNESS. I met him on Seven Mile Road, you know, they call me, and I find Sheehy and Glover in there. Then one day he called me and he had a newspaper and wanted to see me, and I went over to his house. The newspaper

asked me the question, what I know about the case. I told him I don't know anything.

By Mr. GARBER:

Q. Where does Glover live?—A. He lives Springwell, something like that.

Q. How did you know where to go?—A. Well, I know the house.

Q. Where is it near?—A. Between Warren and some other street—close to Warren.

The COURT. You know the house?

The WITNESS. I know the house.

The COURT. How many times have you been in his house?

The WITNESS. Well, I been a few times in his house.

The COURT. When?

The WITNESS. When he call me, and I take the stove in there, and he sold me the freezer, you know, I went over and pick it up.

The COURT. He called you after the murder, and then you delivered a stove.

The WITNESS. No, this stove was a long time ago, I deliver in the beer garden, not in the house.

The COURT. After the murder, did he call you and tell you to come over to his house?

The WITNESS. No, he don't call me. The newspaper went to him and called me.

The COURT. Called you from where?

The WITNESS. His house.

The COURT. Whom did you go over with?

The WITNESS. Myself.

The COURT. Alone, and you sat down and talked to him about it?

The WITNESS. Newspaper was there and newspaper asked me a question.

The COURT. You have been always good friends?

The WITNESS. Known for years.

The COURT. He's a good fellow.

The WITNESS. A good fellow for me.

The COURT. Sure. Now, you have been thinking some time?

The WITNESS. Thinking of what?

The COURT. I say, you have been thinking, you have had a chance to think. Who was that Italian fellow came up with you to your uncle's house?

The WITNESS. I never went with Italian fellow.

The COURT. Did you ever go there alone?

The WITNESS. I never went alone.

The COURT. We understand you went along with an Italian?

The WITNESS. I never went with an Italian.

The COURT. You never introduced the Italian?

The WITNESS. I never went with an Italian.

The COURT. Is he the guy did the job?

The WITNESS. No, I don't know anything about it, your Honor.

By Mr. GARBER:

Q. You say now you didn't go up alone?—A. I never go there alone. I went with my wife, and I went with the police, and ask my uncle—

Q. You told us already today you went up there alone.—A. I never did. You question my uncle. Three, four, five, six years I never go to his house, unless his son got married, invited to his wedding. My daughter got married. I invited him to my wedding. The only time I see my uncle is at the factory.

The COURT. Why didn't you talk to him at the factory? Why did you go to the house?

The WITNESS. The police send me to go to his house.

The COURT. You didn't have to follow the police.

The WITNESS. They say, "Go down there." I ask him. I don't want anybody to see me go over. I don't want them to see, the guys.

The COURT. At the factory?

The WITNESS. I don't want to see him. He said, "You go down, help us."

By Mr. GARBER:

Q. Who?—A. Glover and Sheehy.

Q. Is that when you went alone?—A. I never went alone.

Q. Did you go over there with this Italian fellow?—A. I never been with no Italian.

Q. Now, wait a minute. Listen, did you go over with this Italian fellow to the home of Gentiles, and Gentiles got on the telephone and had the Cocos come over, and Tom was there, Tom Latona, and you talked to all of them and wanted to know, and you were shaking your fists, and you said, "How did that woman get my name?"—A. I never see Tom, nobody, over at my uncle's house. Nobody was there when I went there. There was my uncle alone.

Mr. GARBER. There's about five people say he was there with this Italian fellow—Mr. and Mrs. Gentile, all the rest of them—there's about five people say he was there.

The WITNESS. They can say anything they want to. I don't know. I never been there.

Mr. GARBER. Well, I don't know—it looks to me like we have to get these other people back. Let's get it straightened out, how many times he was there, who he was with and so forth.

The COURT. What else do you know about this?

The WITNESS. I don't know anything, your Honor.

The COURT. You said you don't know Dean Robinson?

The WITNESS. I never heard of the name.

The COURT. Do you know Mr. Briggs?

The WITNESS. I never heard of him.

The COURT. Did you ever hear of Briggs Manufacturing?

The WITNESS. I heard of the Briggs factory. I don't know nobody, the owner of Briggs.

The COURT. You don't know the man himself?

The WITNESS. I don't know.

Mr. GARBER. Do you know Mr. Cleary?

The WITNESS. I don't know him.

The COURT. Did you ever hear of him?

The WITNESS. I never hear of him.

The COURT. How did your son get that contract?

The WITNESS. How do I know? Ask him.

The COURT. You are making what, four to five thousand dollars a month net?

The WITNESS. You mean \$4,500?

The COURT. Yes, \$4,500 a month?

The WITNESS. You just said forty-five thousand.

The COURT. Forty-five hundred.

The WITNESS. Some months make less, some months make more.

The COURT. About \$4,500?

The WITNESS. About that average. I got five trucks working and seven men, see.

The COURT. And seven men?

The WITNESS. And myself.

The COURT. And Gasper has the core contract with the Stove Works?

The WITNESS. That's right.

The COURT. What does he make a month?

The WITNESS. I don't know what he makes.

The COURT. About how much?

The WITNESS. He makes three to four thousand a month. He got 25 men working.

The COURT. How much?

The WITNESS. Three to four thousand dollars a month.

The COURT. How many men has he got working for him?

The WITNESS. About 25 men.

By Mr. GARBER:

Q. The reason you don't speak to Gasper, because Gasper wouldn't come through with half the attorney fees and bond money, when your brother and Gasper and you got in jail over the first at the Stove Works?—A. That's right.

Q. And you haven't spoken to him since?—A. Since that, I haven't talked to him.

Q. And Bellanca is the one charged you \$4,000 for that case?—A. Yes.

The COURT. And they dismissed that case?

The WITNESS. I don't even go to court. They got me arrested, got out on bond, I don't go no place. The FBI call me, give me my gun back, my pistol back, all my shells, everything.

The COURT. Now, listen Sam, on the 14th of October 1946, you were out hunting, doing a little pheasant hunting, weren't you?

The WITNESS. I don't know when I went.

The COURT. Well, I mean the time you got into court on the thing last October.

The WITNESS. I don't remember.

The COURT. Well, the time they took the gun away from you. Do you remember when they took the gun away?

The WITNESS. Yes. I don't go hunting. I went to try my dog and lost my dog.

The COURT. Who was shooting out the windows of the car?

The WITNESS. I don't shoot.

The COURT. What fellow was shooting in the car?

The WITNESS. I don't have nobody shoot in the car.

The COURT. Who was with you that day?

The WITNESS. An old man, a friend of mine.

The COURT. What's his name?

The WITNESS. Dick is his name.

The COURT. Did these officers find him today?

The WITNESS. Well, I show them where he lives.

The COURT. Over on Concord?

The WITNESS. Yes.

The COURT. Now, you were out in Mount Clemens and then you drove home to your place over on Beaconsfield.

The WITNESS. That's right.

The COURT. And when you got there, there were two officers there?

The WITNESS. There was one.

The COURT. Well, there was another fellow in front and one in the rear.

The WITNESS. That's right.

The COURT. Two of them, and you had two guns, didn't you?

The WITNESS. Sure.

The COURT. And the one gun was loaded and one wasn't?

The WITNESS. It wasn't loaded. It was jammed—little .22 shell can't come out and I take it to fix it the week before. And I try a .22 if it work, and it is not working.

The COURT. Anyway, they confiscated that gun?

The WITNESS. That's right.

The COURT. And brought a charge against you over before the Justice of the Peace in Mount Clemens?

The WITNESS. Took me with them.

The COURT. And it cost you what, \$50?

The WITNESS. Something like that, fifty-two.

The COURT. The information we have you put your hand in your pocket and picked out a big bunch of bills and you counted off five hundred.

The WITNESS. No, sir.

The COURT. And offered it to the officer.

The WITNESS. That's all I told him, "You don't have to take me. If you leave me out on bond, I pay the bond and be up there."

The COURT. Did they take you away that day to Mount Clemens?

The WITNESS. I went there. They took me with them.

MR. GARBIE. Over to Justice Parent?

The WITNESS. I don't know who it was—some judge, whatever it was.

The COURT. After you got served with the subpoena, you tried to get the gun back?

The WITNESS. Why, sure; the gun belongs to me.

The COURT. But you tried to get it back after you were served with a subpoena here.

The WITNESS. No. I was try to get it. I got his number, the game warden. I go up to his house one Sunday. I went to see his father-in-law. I found his wife, because they told me at the time, "The gun you can buy back."

The COURT. Why didn't you get it back right after that, right after they took it away, after you paid the fine?

The WITNESS. Well, I been busy, get things ready for the wedding, and buy this, buy that, I never had no chance, you know. My trucks, bad weather, one get a flat tire, one motor don't run, you know, I had a lot of work to do.

The COURT. You don't carry a pistol?

The WITNESS. No, sir.

The COURT. But you have one?

The WITNESS. Sure. I got two. I got 32 and 45.



The COURT. Automatic?

The WITNESS. No; 6-shot, you know.

The COURT. And they are in your house?

The WITNESS. Sure. I got them in my house. One I got in the gas station, one in the house.

The COURT. Which one have you got in the gas station?

The WITNESS. The 45 pistol.

The COURT. It is a good one?

The WITNESS. I don't know if it's a good one.

The COURT. Are you a good shot?

The WITNESS. Why sure. I been hunting all my life.

By Mr. GARBER:

Q. Did you ever hunt where that body was found?—A. I don't know where the body was found.

Q. Did you ever hunt out there?—A. I don't know.

Q. You might have?—A. What?

Q. You might have been hunting there?—A. Well, I don't know.

Q. Which way do you usually go hunting?—A. Well, I go most of the time up north, you know.

Q. Where do you go around here?—A. I never go out around here for years, you know.

The COURT. Where were you that day last October?

The WITNESS. My mother-in-laws', Mount Clemens.

The COURT. Is that where you go hunting?

The WITNESS. Why, sure.

By Mr. GARBER:

Q. Is that the only place?—A. This year I don't have a chance to go hunting, except deer season.

Q. Did you have a small-game license this year?—A. Sure.

Q. You buy a license and didn't go hunting?—A. I bought—if I got work to do, I never go hunting. First come my work at the plant. If I have time, I go hunting.

Q. How many pheasants did you kill this year?—A. Three or four pheasants.

Q. How many rabbits?—A. I don't kill one rabbit this year.

Q. How many did you kill last year?—A. A few, you know.

Q. Where did you get those?—A. I go up north, my place.

The COURT. How many rooms in that cabin?

The WITNESS. That's one big room.

The COURT. One big room?

The WITNESS. And got in there little partition so can sleep in there, bunk up and down.

The COURT. Partitioned off for bunks?

The WITNESS. That's right.

The COURT. One on top of the other?

The WITNESS. That's right.

The COURT. That's where Glover stayed?

The WITNESS. Yes.

By Mr. GARBER:

Q. Did Sheriff Thomas go up there hunting?—A. I don't know.

Q. You saw him out at Pontiac. Didn't he come up hunting?—A. No, sir; he didn't come.

Q. How many times did you see Sheriff Thomas?—A. I see two times up there, that's all.

Q. Did you ever see him any place else?—A. I don't know who he is. If I see now, I don't know the guy.

Q. What conversation did you have with him, to keep your name out of the paper?—A. Well, I told him I don't want to have my name in the paper, I don't know these people. Why should they disgrace me. The newspaper—they keep me in garage till they go away.

The COURT. What?

The WITNESS. They keep me in garage.

The COURT. Keep what in the garage?

The WITNESS. Keep me in the garage. Drove me up there.

By Mr. GARBER:

Q. Who drove you up?—A. A short, big fat guy. I don't know his name, you know.

Q. Did you give him any money?—A. I don't give no money. He don't ask for any money. Why should I give him money?

Q. Why should you offer this fellow \$500?—A. I get out on bond; I got work to do. I said, "You go ahead to Mount Clemens. I be up there." I don't offer no money. If I pay \$50, \$100 fine, I should give him \$500? I be crazy to do that.

The COURT. It might be worth it to keep your name out of the paper. You tried to keep your name on that note out of the paper.

The WITNESS. I don't stop them. It was in.

The COURT. Who kept your name out of the paper?

The WITNESS. I don't know. The prosecutor and, oh, like you people, don't disgrace me in the paper. I have trouble with some guns. It look funny. I don't want to be involved with this thing. And all I said, they put it in the paper anyway, a piece, and broadcast on the radio. Some people told me, "I heard your name on the radio."

The COURT. Is there anything further you want from this fellow?

Mr. GARBER. Not anything I can think of.

The COURT. Well, Sam, you're pretty tired now.

The WITNESS. Yes. Well, I am not tired.

The COURT. Do you want to stay with us late tonight?

The WITNESS. No. I would like to go home. I want to eat. If you want me to come back, I come back any time you want me to come back.

The COURT. I tell you what I am going to do. I am going to let you go.

The WITNESS. I come back any time you want me.

The COURT. Come back Thursday morning at ten o'clock.

The WITNESS. Ten o'clock I will be here.

The COURT. The reason I say Thursday, Wednesday is a holiday.

So you come back Thursday at ten o'clock.

The WITNESS. Any time.

The COURT. Nobody hurt you today, did they?

The WITNESS. No. You ain't hurt me, your Honor.

The COURT. We used you as a gentleman, didn't we?

The WITNESS. That's right.

The COURT. You can tell your lawyer you were used as a gentleman.

The WITNESS. I certainly tell my lawyer. I want him to excuse me if I make a mistake. What I say, "prosecute him"—he's the prosecutor. I ain't prosecute him. I don't mean that.

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72,052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, November 18th, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

7:55 p. m.

GEORGE H. HERBERT, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. George Henry Herbert, known as George H. Herbert.

Q. What is your present address, Mr. Herbert?—A. 1891 East Outer Drive; that's Detroit.

Q. Detroit. You have been formerly employed by the Briggs Manufacturing Company?—A. I was general supervisor of salvage.

Q. And how long did you hold that position?—A. The present position was about ten years.

Q. And what were your duties as supervisor of the salvage department?—A. I sold all salvage material, made all contracts.

Q. Would you give us an idea of the volume of the salvage sold by the Briggs, say, in the last five or six years?—A. It varied, but I would say a nice safe average would be a million and a half a year.

Q. A million and a half dollars' worth of salvage a year?—A. Yes.

Q. Did that increase in the war years?—A. Yes; it increased, I guess, up to two million, a little over two million.

Q. And who had the contracts, we will say, five years ago, that purchased most of the salvage?—A. It was divided up into the various contracts with the various types of material, such as, scrap iron was sold to the Woodmere Scrap Iron Company.

Q. Who is the owner or operator of that?—A. One of the owners is Dave Freedman, Louis Freedman, and their father. It was two sons and the father owned the business.

Q. And they handled most of the scrap iron?—A. They handled all of the scrap iron hauled from the Briggs.

Q. I see.—A. Then the other contract was held by the Continental Metal Company, by father and son, Daniel Temchin, the father, and the son's name, Max.

Q. And where is the Continental located?—A. On Russell near Conant.

Q. And the other that handled the scrap iron, where are they?—A. The Woodmere Scrap Iron is 9100 West Fort Street—9101, if I am not mistaken.

Q. So between those two, most of the scrap iron was handled?—A. Continental Metal Company handled all metal, nonferrous metals, where Woodmere Scrap Iron Company handled all the steel that was hauled by trucks. In Silverstine Company, also known as Ennis, which was later dropped to the N. Silverstine Company—he is the sole owner—he purchased all bundled—hydraulic bundles of steel scrap.

Q. And where are they located?—A. That was hauled out in carloads, and he is now located at 6-Mile Road near Mt. Elliott.

Q. And did those three purchasers take care of all the scrap or were there others?—A. Then there was all the paper scrap hauled by truck to the Levine Waste Paper Company, owned by brothers and daughters of the original owners, Mamie Levine and Sam Levine, being the active members.

Q. And where is the Levine Paper Company?—A. They are located over on Alger near Russell. It was one of the largest paper companies in the City of Detroit. All material sold, we received from five to fifteen bids on each type of material, and all bids was opened up in the presence of all who wishes to be there present, so there could be absolutely nothing but fair and square bids.

Q. And the contracts then were entered into with the highest bidder?—A. With the highest bidder. Why I am mentioning that, because it will enter in later on, as to how the Renda received bids.

Q. And that was the practice over a period of years, of having bids?—A. Ever since I took over the department, I should say, assistant, about eighteen years ago, I set up that system.

Q. I see.—A. And I carried it out all the way through.

Q. So anyone wishing to purchase any of these scrap materials would bid so much a pound or hundredweight, and those bids were opened in the presence of competitive bidders.—A. And with my secretary, we compiled all figures before everyone, and everyone was permitted to hear the bids.

Q. So each one would know what a competitor bid?—A. At the same time, all contracts were fair and square, all contracts were entered into for 30, 60, or 90 days.

Q. Why such a short period?—A. Because of the fluctuation of the market. Assuming we talk of the paper—the paper markets varied weekly, but we took monthly contracts.

Q. Monthly contracts?—A. Yes.

Q. How about the ferrous metals?—A. The metals and iron was all 90 days because it held a steady market.

Q. And when did you first have a change in this procedure, Mr. Herbert?—  
A. The first was in January of 1945, when Carl Renda and L. Martin—

Q. Is that Charles Martin or L. Martin?—A. I think, if you look at my statement, you will verify whether it is Charles or what the exact name is, but I am very sure it is Charlie Martin.

Q. According to this report dated September 7, 1945, you say you first met Carl Renda on or about March 27, 1945, and he was with one Charles Martin,—  
A. That would be correct. What date was that?

Q. On or about March 27.—A. January, February, March—maybe that is true.

Q. 1945?—A. Yes. That, I was thinking, was January, because it was the very beginning of the new contract, and we enter into the new contract before the other expires. That would be January, February, March, and it would be March in place of January.

Q. So you first met Carl Renda and Charles Martin sometime the latter part of March 1945?—A. That's right.

Q. Tell us of that meeting. What transpired?—A. Well, when the two men came in they wanted to know if they could handle my business, and they would like to see the bids that I had received, so that they would know what to bid, and inasmuch as they wouldn't be the first man I ever threw out of the office for making that remark I was a little reluctant, because there was two of them, and I told them that I didn't do business that way.

Q. Well, then, after you refused to tell them about the bids, or show them the bids, what happened relative to this matter?—A. Then they told me they would take it up with higher-ups, because they see they can't do business with me.

Q. And who were the higher-ups they may have mentioned at that time?—  
A. They didn't mention it at that time. They said, "higher-ups." That's as far as it went, until I was called into the office, Mr. Cleary's office, who was director of purchases.

Q. Was he over your Mr. Herbert; that is, Mr. Cleary?—A. Mr. Cleary had no connections with me other than sanctioning, okaying, directing sales. That is, we talked things over, but he had no direct overseeing of me. It was just merely because he was in closer contact with the markets than Mr. Lilygren, George Lilygren—

Q. Who is Mr. Lilygren?—A. Who was at that time my boss and held the position as—I better not say assistant comptroller, because he held so darned many different jobs. We will call him head of the Time Department, Time Study, Cost Department, and Salvage Department. He had so many titles, I can't recall.

Q. Is he still with Briggs Manufacturing Company?—A. No; he is now in business for himself, as assistant organizer.

Q. Where is he located?—A. Woodward Avenue, that real skinny building, just two blocks this side of Jefferson Avenue, the building is only 20 feet wide—John French's building.

Q. That's where he is located?—A. Where his office is at the present time.

Q. I understand Mr. Cleary has since—A. Passed away.

Q. All right. What happened in Mr. Cleary's office?—A. Mr. Cleary called me up and told me, or asked me if I had met these two gentlemen, and I told him at that time I had met those two men before, and I wanted to know what he wanted me for, so he told me I was to give those fellows all the cooperation that I possibly could, and I was to give them all of the business as directed, and the reason that he mentioned that particular point, because these two men were not in a position to handle all of the material, because they did not make their connections with everyone, in order to handle all of our business.

Q. Well, now, just explain that statement a little bit. What do you mean by that, Mr. Herbert?—A. Before Carl Renda came in to see us, as I understand, he went to the various different companies throughout the City of Detroit, and asked them if they would be in a position to handle all of the material coming from a large company, not mentioning who it was.

Q. Yes?—A. And a company like H. B. Hamburger, who handled all our trim scrap before the war would not do business with them, because they had an idea who Renda had reference to. The Woodmere Scrap Iron Company was always willing to do business with anyone, anyway. I will mention that in particular. The Continental Metal Company did not care to do business with them, so you can see that it was a little hard to get cooperation from everyone that they went to.

Q. How old a man is Mr. Renda?—A. I would say 26 or 27 years old. He is married, and has one child, or did at the time I was up there.

Q. And Mr. Martin, approximately how old a man is he?—A. I would say closer to 45 or 50.

Q. Is there any truth to this rumor, I heard he is a disbarred attorney?—A. I understand he practiced law until such time that he had shady dealings and he was disbarred. Now, that is only hearsay. I have no proof of that.

Q. Was that here in Detroit or some other state?—A. In Detroit.

Q. But he had practiced in Wayne County?—A. I understand he did practice law.

Q. Now, after you had this out with Mr. Cleary, what happened relative to these bids?—A. I was directed to give all of the metal to the Carl Renda Company at the price that he entered into with Mr. Cleary, and all evidence of the bids at that time proved to me that they had access to all other bids.

Q. Well, were they lower than the other bids, or did they meet them?—A. No. The reason they were not lower at that time was because we were handling government material, and they knew I was a very loyal government representative.

Q. What about those materials that were being handled for the Briggs Company, were there any of those or were they all government materials?—A. There was no one outside myself could determine what was government and what wasn't government, and so they thought they would work with me in the very beginning.

Q. And so it is your opinion, then, that they were given advance notice as to the bids submitted by others, and they met those bids, or in the neighborhood?—A. There was all evidence they did meet all bids at that time.

Q. Then, after they obtained this business, what happened subsequent to that time?—A. At that time, there was a lot of material not in the bids, just material that would come up between them, and I more or less resented them, and didn't call them in to purchase some of the material, so I was called back to Mr. Cleary's office and warned never to let this happen again. I must at all times give them an opportunity to bid on all the material at Briggs, government or otherwise.

Q. So they did continue then—they did, in effect, take all the salvage of the Briggs plant; is that correct?—A. Practically speaking, they received everything from Briggs at that time, and then a little later on they were in a little bit of trouble with the service of the Woodmere Scrap Iron Company, and I was at that time going to throw everybody out and get a whole new outfit in, and life wasn't very happy for me for a while.

Q. In what way?—A. Well, I was warned that if I didn't keep my mouth shut—

Q. By whom?—A. By—this was taking place at a meeting. I don't know where the meeting was, but these two fellows come to me and begged me to lay off them if I knew what was healthy for me, because they were going to get me out of Briggs or out of existence, either one.

Q. What do you mean, two men at Briggs?—A. No. This was held at a meeting. Renda and his father-in-law and others were attending this meeting, so as soon as this word got out, these two parties came over to me to warn me to lay off, but I went on with the FBI, and that's when I made that statement there.

Q. You were warned you were going to lose your job or something was going to happen to you?—A. I was going to lose my job or something was going to happen to me, if I didn't cooperate with them.

The COURT. What's Renda's father-in-law's name?

The WITNESS. Perroni, L., I think it is.

By Mr. GARBER:

Q. Now, what was the connection between these men who told you? How would they happen to be at the meeting of Perroni's and Renda's?—A. They weren't at the meeting, but they were tipped off by a party who was at the meeting. I wanted to use with the FBI their name, but they said positively don't connect them, because they were in business and wanted to continue in business, and it wouldn't be healthy for them. It's just well enough he liked me, he wanted to continue on in business and just, for goodness sake, lay off.

Q. As I told you before, we are in a confidential business here, and we have quite a task, if what I have been led to believe is true, as to the operations of these particular matters. I understand it has some rather far-reaching complications and effect, and I would like to have the whole story here, and I will assure you the whole story will remain here, as to who these parties are, and as to how this whole thing came out. Of course, if we just kind of get a bird's eye view

without any details, it isn't going to help us very much, but I will be frank to tell you, what you want to give us here is building a basement to use in creating a structure, and the only way we can do that is to have all the knowledge, to use it as a foundation for further investigation. That's what we are interested in, so I would like to have you be frank with us, tell us what it is. We are all under an oath of secrecy. There is nobody in the Grand Jury but who you see here, and I would like you to be very frank with us. As far as the young lady taking the testimony, she will handle it, write it up, and it will be kept as such.

The COURT. And kept in the vault.

By Mr. GARBER:

Q. So I think you can speak freely and as far as using names, so forth, we perhaps will use this as a basis to build something, but we will have the whole picture, so I would like to have you be as frank with us as I am trying to be with you. It is confidential and certainly we are doing nothing to bring any injury—A. If these two fellows' names were ever mentioned, as sure as I am sitting here, it would hurt their business.

Q. It would if somebody but us knew it. That may be true.—A. If there's any way—if they would ever be involved in it, because he is right now next to the picture and doing business with it, and he would deny, because I am already out of the picture, he would deny anything to save their own neck, as much as they claim they like me and would do anything for me.

Q. Well, we have a serious task to perform in this matter, and we would like to have all the information.—A. If you would read between the lines you could have found it when I said "father and son."

Q. Well, of course, we would have to have done a lot of wild guessing on that, and these people you refer to here as "father and son," they receive information from someone who did attend the meeting.—A. That's right.

Q. Do you know who that party was?—A. Well, I don't know who their party was who was giving them the information, because it was to their advantage to have the information, and they were paying plenty for it, and it was for their benefit as well as mine.

Q. So they were paying for their information so they could keep track of how things were going?—A. Because it would have meant an awful lot to those people, if I stayed on the job. It meant a lot to a lot of people, because when you deal with honest people, it doesn't cost so much.

Q. So far in our story, Mr. Herbert, the only thing being done that was a trifle unfair, was that Mr. Renda and Mr. Martin had advantage of knowing what the other people were bidding, is that right?—A. That's right.

Q. But they were all, to all intents and purposes, meeting the other bids?—A. That's true, but that isn't all of the picture.

Q. We want to go on with the picture from there.

The COURT. Is Renda Italian?

The WITNESS. He is—the whole family.

By Mr. Garber:

Q. A graduate of Albion College, sometime in 1944 or 1945.—A. That's right, he just got out of school.

Q. He married the Perroni girl?—A. Yes.

Q. Then he went in with this fellow Martin?—A. That's right.

Q. And they were absolutely new in the scrap business?—A. In fact, they hadn't received their license. I thought I could get them on that account, but I found out it was easy to get a license.

Q. Did they have a license at the time they were there trying to get the bids?—A. They didn't have a license a long time afterwards, and I wanted to investigate and find out when they did get the license, and who informed them it was necessary to get it.

Q. So this young man, just out of college, apparently no business background, and Mr. Martin, who had been disbarred, were given approximately a million and a half dollars' worth of business in salvage from the Briggs factory?—A. That's right. Even though they did meet the highest bid, they then had the contract and went to Woodmere Scrap Company, and tried to negotiate a deal with them to haul all the material, as they never had trucks, office, telephone, or experience, and it would be necessary to have five to ten trucks to haul our material, and there were very few companies in the City of Detroit able to haul all our material, so after an all-night session, the Woodmere Scrap Iron and Louis Friedman was the proprietor, negotiated the Renda deal to pay \$1 for every

ton of material hauled out of Briggs, that Renda and Martin didn't as much as sign their name, and they received \$1 per ton.

Q. Approximately how much money would that run into, Mr. Herbert?—A. Conservatively, say, about \$100 a day that they paid.

Q. So, without experience or any trucks, they were able to assume \$100 every day for what was going out of there, that is to start off with?—A. That's at the beginning, yes.

The COURT. Take right there, roughly, Woodmere Scrap Iron got all the scrap from Briggs, but the go-between was Renda and Martin?

The WITNESS. That's right.

The COURT. And clipped them for \$1 a ton?

The WITNESS. That's right, because they had control of the contract.

The COURT. In other words, they were like a fellow that got a lease and re-leased?

The WITNESS. Exactly.

The COURT. And got the differential without any trouble?

The WITNESS. And then they went over to Continental Metal Company and tried to negotiate a deal with them, and those two people, being very religious, even though Jews, they are the highest type, very honest and fair and square, refused to do business with them, and they called me up immediately and told me they refused to do business in that manner.

By Mr. GARBER:

Q. Did they want the same thing from Continental?—A. The same thing.

Q. In other words, they wanted \$1 royalty for each ton?—A. No, the royalty would have been much more, because the material sold for as high as 13 cents a pound. They wanted a percentage royalty. They refused to do business so Renda then went out and got another shyster company to handle material, but because of the way he handled the material, this other company couldn't work with me, or I couldn't work with them. We couldn't work together, anyway, so Renda went back to the Continental Metal Co. and finally they negotiated a deal.

Q. On a percentage basis?—A. On a percentage basis.

Q. Do you know what that percentage was?—A. No; that was such a small amount, I never did get the exact figures of it, because it was fractional.

Q. Well, how long did the deal continue along this basis then, Mr. Herbert?—A. I can't recall the very beginning of the contracts now, but they went on. In fact, it is still going on.

Q. Well, is there ever any time they buy this material for considerably less than the market value?—A. At the present time they are buying it for practically nothing, paying practically nothing, from what I can hear. I haven't been able to obtain any figures, because I have been away almost a year now, but I understand they are buying it very cheap, both metals and iron.

Q. Well, what was the deal so that Mr. Renda and Mr. Martin could have this advantage and make this royalty for apparently rendering no service whatever?—A. In other words, you mean, what was Briggs Manufacturing going to receive from this?

Q. That's correct.—A. As I can understand that the Carl Renda Company was to break up any strikes that would occur in Briggs and protect them.

Q. Protect who?—A. Protect Briggs Manufacturing against any future strikes.

Q. Now, had Briggs been having considerable difficulty with strikes up to this time?—A. In the makings of this system, and I will go so far as to say that this is a system that has been studied out by years of experience, and with men that have had this in operation in other countries as well as the United States, it consisted of two inches of typewritten paper, very thin, what they called the master plan, and the master plan was supposed to start in operation at one of the toughest parts in the City of Detroit, where they had the strongest hold, known as Communism, and all other systems, and that was Briggs Manufacturing Company, and they started in the very beginning, in January and February and March, to cause more strikes than has ever been known of in the City of Detroit or the United States, and if you will just let me get my coat, I will show you exactly what I mean. I have a copy of it.

Q. Now, on the date of 5-16-44, I see you have a clipping from the Free Press in which it is noted the number of strikes in which the Briggs had involved 12,000 workers from March 1 to 10.—A. That's right.

Q. And it's just previous to that you first met Mr. Renda and Mr. Martin?—A. That's right.

Q. And how many strikes, if you know, work stoppages has the Briggs had since this system of salvage has gone into effect?—A. I haven't the exact

records, but they have it on the books, but I understand it is very, very few. We do know that those strikes at that time were manufactured strikes, created by paid men in the company for no reason—I should say the majority of the strikes was for no reason other than disturbance. Their request was absolutely unwarranted, no foundation, and a lot of them, when the strike was over, they hadn't gained a thing.

The COURT. Who started those strikes?

The WITNESS. Manufactured strikes, started by various men, what you would be safe to say was paid to start a disturbance.

By Mr. GARBER:

Q. By whom?—A. Well, later we found that if the disturbance was caused and then later there was no more cause, then who would it be other than one in particular, and that would be Renda.

Q. Let me get that again? How would Renda go about creating any strikes? How was that done?—A. He paid men working in various departments to create a disturbance among the fellow workmen, wanting more money, shorter hours and a lot of the requests, there was no foundation for them, because they were making more money and everything was satisfactory, and they would go back to work with absolutely nothing, no profit from their disturbance.

Q. Did you ever hear of the Trotzky-ites in the so-called Briggs organization over there?—A. No; I don't remember of them.

Q. Do you have any knowledge as to these beatings that have taken place over there?—A. Yes; we used to follow them up pretty close. We first would know there was going to be a strike in a certain department, and later we would hear of the beating, so we would always put two and two together, and the common remark was "Somebody's going to get hell tonight," because we would know ahead of time, at least a few of us would know, there's going to be a strike because of the disturbance caused in this department, and then later, somebody is going to pay for it.

Q. What's the theory in back of that, Mr. Herbert?—A. Well, the theory that we figured, that Carl Renda was reimbursing Briggs for the revenue that he was receiving from them.

Q. Well, don't you know, as a matter of fact, Mr. Herbert, now, that this salvage contract as it existed, and the benefits that were thrown to Renda and Martin was a deal in which they would act as strikebreakers? Wasn't that the deal?—A. That was all hearsay, and it was of a foundation that was a positive foundation for it, that that was what they were hired for.

Q. You say it was hearsay. Where did this hearsay come from? What's the basis for it?—A. Well, an awful lot of it would be, "Did you hear what's going on?" Then I would get information and other fellows would get information and we would put all of it together and there was at least half a dozen of us working on this, that is, gathering the information for me, from the various offices, and departments, because I had access to every department and every office in the entire manufacturing end, consisting of only 34,000 employees, and I was one of the key men that was well acquainted with everyone.

Q. Well, you mean this would come down to you, down through the different members, workers in the factory?—A. I would receive it from the workers, as well as I would from the foremen and supervisor superintendents.

Q. Well, was there anything in the master plan you are talking about, was there anything that went back more or less to foreign governments wanting obsolete machinery, and so forth, from the plant? Did you ever hear anything as to that?—A. I think the master plan that they had reference to was used in Germany.

Q. Well, did you ever see this so-called master plan?—A. I never saw it, and the party who was giving me the information never did see it, but his mouth-piece, did; in fact, he had access to reading parts from it.

The COURT. Will you give us that name?

The WITNESS. I am sorry, I don't know the man, and he wouldn't reveal it to me at all—"Sorry, I wouldn't want you to know any more than I am telling you. The only thing I can say now, I have to be part of this that might disrupt this entire government in the course of time," and that's as far as he would go with me.

The COURT. Do you know who had the master plan?

The WITNESS. Carl Renda and his father-in-law.

The COURT. Had the master plan?

The WITNESS. Had the master plan at these meetings.



The COURT. Do you know where they got it from?

The WITNESS. No, we never could gain information as to who had written the master plan or where it was kept, because I did want it. I tried to get it.

The COURT. Well, what's Renda's political philosophy? Is he a Communist or what?

The WITNESS. No, you will never hear him state anything other than pleasant words of business. He never states anything pertaining to religion, politics, pars, or anything.

The COURT. That goes for his father-in-law, too?

The WITNESS. I had no dealings with the father-in-law whatsoever.

The COURT. Did you know the father-in-law?

The WITNESS. I just knew of him. I never was called into a meeting with him.

The COURT. How old a man is he?

The WITNESS. Up in years, probably sixty years old.

The COURT. What's his first name?

The WITNESS. L—whether it would be Leo, it's L.

By Mr. GARBER:

Q. Now, did you make any figures as to how much this would amount to, over a 3-month period, the difference paid by the Renda Company and what other companies were paying?—A. Yes, I made a report, but I just don't recall what the figures were.

Q. I show you page 3 of this report, and ask you if this refreshes your memory at all? When was that report made, do you recall?—A. That would be for April through June 1945.

Q. What do those figures show as to the difference in the amounts there?—A. Well, the difference in the amount of \$967.88 for the month of May 1945. That's on one company.

Q. Now, how did that difference come into being, Mr. Herbert?—A. For the amount of money I could have received by selling it on open bids to the highest bidder.

Q. How do you know that? Do you mean that would be the market price?—A. That's what we would consider as a market price, and then I received the price I was to give the Carl Renda Company.

Q. Who gave you that price?—A. Mr. Cleary had given me the price that I was to charge Renda, and here was another one, that he could have received \$15,991 for material while we received \$14,682 from Carl Renda, or the difference amounted to \$1,308 for the same material. And each month it was exactly the same, where the figures was a lot different.

Q. Is that a 3-month period there?—A. The total difference for the 3-month period amounted to \$3,346.

Q. Amounted to about \$1,100 a month you were selling for less?—A. That's right.

Q. Now, you went over to the FBI, did you not, and told them about this?—A. That's right.

Q. And do you know whether the FBI followed this to see if they did receive the full amount for material they should have received?—A. The FBI had their auditors in there, and I understand they had taken a percentage of the amount of government material that was purchased against the amount of material that was purchased for Briggs, and assuming that the difference would be ten percent, then in all sales of salvage that was sold, the government received the difference.

Q. Who stood that? Who paid that?—A. The Briggs Manufacturing Company had to stand the difference, but that was never verified. I was never able to verify any of those figures.

Q. I understand the auditors made some 18-page affidavit from the Briggs Manufacturing.—A. I understand the auditors did make a statement, but how many pages, who it was to and who from, I don't know.

Q. Do you know what that and it was about?—A. No, only about salvage.

Q. Who would that auditor be?—A. That I couldn't say, but the head man of the auditing division would be Blackwood.

The COURT. May I ask a question: What is the tie-in between Renda, his father-in-law and the higher ups in the Briggs? How is that? In other words, when Renda came to you, you turned him out, then the fellow that died—what's his name?

The WITNESS. Cleary.

The COURT. Cleary told you to do business with him?

The WITNESS. Cleary was a go-between between W. O. Briggs, W. P. Brown and Dean Robinson and myself.

Q. So, Brown, Robinson and Walter Briggs—A. Brown, Robinson and Walter Briggs—

The COURT. They were the top men.

The WITNESS. They were the Briggs Manufacturing executives who issued the orders to Cleary, and Mr. Cleary in turn gave me the orders to carry out.

The COURT. That was costing over that period of time, it was costing the Briggs Manufacturing Company about \$1,100 a month to do business with Renda and his father-in-law.

The WITNESS. Plus the percentage that these other companies had to pay as a bonus for taking the material in.

By Mr. GARBNER:

Q. Which was \$1 a ton.—A. At the very beginning it was \$1 a ton, but the later figures I was never able to get.

The COURT. Let me see. Where you could have gotten, in round numbers, \$1,100 a month more if you were permitted to go your way—

The WITNESS. That's right.

The COURT. Do I understand \$1,100 a month was pocketed then by Renda and his father-in-law?

The WITNESS. That's right.

The COURT. That was theirs?

The WITNESS. That was theirs.

The COURT. Then over and above that they got \$1 a ton for the scrap from Woodmere and a percentage—

The WITNESS. On metal.

The COURT. On the nonferrous?

The WITNESS. That's right.

The COURT. Nonferrous metals?

The WITNESS. Yes.

The COURT. So the percentage on the nonferrous metals they sold to these companies, plus \$1 a ton on the ferrous plus the differential of \$1,100 a month, is what these two fellows, Renda and his father-in-law would take?

The WITNESS. That's right.

The COURT. And you got your orders directly from Cleary?

The WITNESS. That's right.

The COURT. Cleary is the go-between, the liaison officer between you and the top-flight men in the company?

The WITNESS. That's right.

The COURT. Walter Briggs?

The WITNESS. That's right.

The COURT. Dean Robinson, his son-in-law?

The WITNESS. That's right.

The COURT. Who is Brown?

The WITNESS. W. P. Brown at that time was the president, and a little later on resigned. So now Dean Robinson is the president, and the man between now is Mr. Blackwood, since Mr. Cleary passed away.

The COURT. Mr. Blackwood is the auditor?

The WITNESS. Head auditor, and Alex Blackwood was a very personal friend of mine years ago, always was.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBNER:

Q. What is your assistant's name that you mentioned?—A. Clifford Reichman.

Q. Is he there yet?—A. Still there, still operating under exactly the same system.

Q. There's been some talk about these Perronis, and the Thompson murder. What do you know about that?—A. Well, the day she was murdered, I happened to be driving out to the lake, that is, the following Sunday, but at that time I had no connection with the Renda case at all, so I never did hear of any connection whatsoever with it.

Q. You don't know anything about it?—A. I don't know a thing about it. I never did hear any connections at all.

The COURT. Well, she was murdered in October 1945.

Mr. GARBNER. About that time.

By Mr. GARBNER:

Q. Did you ever hear whose name was on that note that she wrote?—A. No, I never did read anything about the killing at all.

Q. You know nothing about that?—A. Not a thing.

Q. You say that Mr. Silverstine had known Mr. Briggs for over a long period of time?—A. He was a key man.

Q. And in what way?—A. General factory manager.

Q. And how does he fit in this salvage picture?—A. He was buying the hydraulic compressed steel bundles, practically all of the obsolete machinery, and a lot of the salvage.

Q. Although he was an employee of Mr. Briggs?—A. No, he hasn't been with the Briggs Manufacturing Company, safely, 15 years.

The COURT. But he was a key man?

The WITNESS. He was the key man in the early days.

The COURT. As what, you say?

The WITNESS. General factory manager.

The COURT. Where did he get his experience, he grew up there with them?

The WITNESS. I believe he come up with the company, even though he was a Jew, he was well liked by all.

By Mr. GABER:

Q. So this long friendship of Mr. Silverstine was more or less interfered with by the contracts of Mr. Renda, is that correct?—A. Very much, and we were all very unhappy.

The COURT. Well, Silverstine lost that business when Renda took it over?

The WITNESS. Temporarily. That is, just through talk. There was never any business transacted with Renda on any of this paper business Silverstine previously bought, but—it was not only hearsay, but we knew it was going to take place.

The COURT. But did it ever?

The WITNESS. It interfered on general salvage, but then something took place that I tried for years to do, and was never successful, was to get the steel mills, Great Lakes Steel Corporation to purchase all the hydraulic compressed steel bundles back, because we bought the majority of our steel from them, so putting two and two together, and Mr. Silverstine was well liked by the Great Lakes Steel Corporation, and the reason the Great Lakes Steel Corporation did not buy these bundles direct back—I am getting off the picture, but I am just trying to give you the reason—is it all right?

The COURT. Yes.

The WITNESS. Okay—that the Great Lakes Steel Corporation had to purchase all their steel scrap through a broker, because if they didn't, if they would buy it direct from the factory and not through a broker, the broker would tie them up when they did need the steel. The broker's fee is around 50 cents for every ton, and all they do is to pass it through the books, but when this picture come in about Renda was going to take it over, I do believe Silverstine went to the Great Lakes and went to the broker and said, "We will sell direct from Briggs to Great Lakes Steel, and Renda will not be able to put his finger on this metal," and the deal was made and that is when W. O. Briggs' picture went back up on the wall. Because when you handle 350 tons of compressed steel bundles at 50 cents a day, and all you do is put it through your books, Brother, that's a lot of hay.

The COURT. Well, when the deal went through direct to Great Lakes Steel through the broker, where did Silverstine fit in that picture?

The WITNESS. That was a three-cornered picture, the broker, Silverstine and Briggs, working with Great Lakes Steel. If it hadn't been worked that way, Renda would become a broker and would have received 50 cents a ton brokerage fee for doing nothing.

The COURT. So Renda didn't get that business?

The WITNESS. He didn't get it, and the reason they didn't get it, they are not smart operators—not as smart as they think. Briggs told them in the event Great Lakes Steel didn't get the bundles, Briggs couldn't get the new steel and they couldn't operate, and Renda accepted it as the truth, but it was a lie.

The COURT. Why was it a lie? They could get the steel anyway?

The WITNESS. They could get the steel anyway.

The COURT. Through Great Lakes?

The WITNESS. Through anyone.

The COURT. Through United States Steel, Jones and Laughlin?

The WITNESS. A lot of companies.

By Mr. GABER:

Q. But Renda was supposed to get that, but Silverstein outsmarted him?—A. Silverstein outsmarted him.

Q. But the point I am trying to emphasize and bring out a little more clear in my mind, what did Renda have to offer Briggs that the Briggs Company apparently was about to double-cross—if I can use that word—Mr. Silverstine, who was an old friend of the company, and to make it so that the Briggs Manufacturing Company suffered a loss of \$1,100 a month, and then put him in position to make \$1 a ton—what was he offering for that?

The COURT. In other words, that was about the question I had in mind. What in your opinion is the background of the introduction into the Briggs Manufacturing Company of Renda and his brother-in-law, with men such as yourself in there, everything going along rosy—it's true they had their labor troubles but others have been too—Silverstine an old timer, you might say, a pal of his, and these other companies that have done business with them for years—what was it they would introduce, these two fellows, a disbarred lawyer, Martin, and Renda, a kid out of college, not even dry behind the ears, yes, with no experience?

The WITNESS. The first theory that we had, on the first investigation, we thought Renda and Martin and the father-in-law were blackmailing them some way.

The COURT. Blackmailing Briggs?

The WITNESS. Yes, and W. C. Brown and Dean Robinson was entering into an agreement in order to keep the old man from being blackmailed or revealing some secret, whatever it was, on the old man, but we soon eradicated that after the many beatings that was caused by people starting strikes in the company, and the union was offering rewards to any information leading to information pertaining to these beatings of their union officials and members of the staff. We also have a certain amount of belief that the higher ups in the union are in with the Renda Company, and if I had stayed there long enough and been able to investigate this thoroughly—

The COURT. This is a CIO union, no AFL.

The WITNESS. This is a CIO union.

Mr. GABER. Local 212.

The WITNESS. I believe from information I could gather at that time, the higher-ups in the union are receiving part of this money Renda Company is receiving. We spoke of \$1,100. That's peanuts today. I would like to get the figures of Briggs of what they are selling their material for today since the government has nothing to do with it. The government had control of it when I was there. What are they getting now that I am out of there—I can't get it from Mr. Reichman; I can't get it from my best friends. I would like to know what Renda is paying.

Q. Do you think it is the regional office of the union or the local?—A. I believe the officials of Local 212 is in with this.

The COURT. Can you give us the names of any of the fellows you think might be in this?

The WITNESS. I don't know any of them. When we started on that theory, that was in January. That was really when I started to work then. If I remember, during the cigarette shortage you couldn't even buy a pack of cigarettes; you would have to line up for a block to get them—Carl Renda had in his car a trunkload of cigarettes, all brands, and he used to back up to the door, ten o'clock in the morning, at a given time, and these stewards, committee men, and different ones of the union would come there and receive their ration of cigarettes, free of charge, and I called the attention of the watchman to the practice that was going on, and I was called in to Fay Taylor's office along with Mr. Cleary, and they raked me over the coals for putting my nose in other people's business, and told me I was only imagining things, that Carl Renda was not giving out cigarettes, and I said, "If you want proof, call your watchman I asked to watch, so I could verify the statement."

The COURT. Who called you down?

The WITNESS. Mr. Cleary and Mr. Fay Taylor.

The COURT. Who is Fay Taylor?

The WITNESS. Fay Taylor is head of the Service Department and watchmen, so on, like that. It is what we would call the Service Department.

The COURT. Is he there yet?

The WITNESS. Still there in a higher capacity.

The COURT. What is it now?

The WITNESS. I don't really know what his new title is. So, that day—from that day on, whatever Renda would do or say to any of the men, other than my business, I didn't say no more.

The COURT. When was that about?

The WITNESS. I can't recall the day or month, but I do know it was during the time cigarettes were almost impossible to get. I would go so far as to say it was perhaps in November or December, along in there.

The COURT. Of last year?

The WITNESS. Of last year.

The COURT. Of course, they were all hard to get during the war.

The WITNESS. Yes, so I don't recall just what time the cigarette deal was going on.

The COURT. But Renda puts in his appearance in March 1945?

The WITNESS. Yes.

The COURT. You got your working papers January 7, 1946, about nine months afterwards?

The WITNESS. Yes.

By Mr. GARBER:

Q. And you were the only one that was raising your voice in protest, shall I say, to the salvage deal?—A. Well, one of the reasons that I was used was, that everyone felt as though the company couldn't get along without me, or I was going to die of old age there. I was in there too solid for anybody to touch. My reputation was unquestionable.

Q. When did you go to the FBI with this matter? How long before you were let go?—A. Well, that was just a little before I made the statement. This was in September, so it was August of 1945, when I called the FBI in. Well, I didn't call the FBI—when the FBI come in to see me.

The COURT. At that particular time, you had already seen a part of the regime of Renda and his father-in-law ever since March. Now, what was the thing that was troubling you at the time you went to the FBI, these beatings?

The WITNESS. Well, the one thing that prompted me to call the FBI was when I found this wasn't a proposition operated in Briggs Manufacturing alone; that this thing was going to spread out in the city of Detroit, and after they had control, it was going from one city to another, and I was told the next place they were going to take charge of was Ford Motor Company, and the next would be Chrysler. Those parties I know very well that is in charge of the Salvage Department, so I called Roy Struthers, who is General Supervisor of the Salvage Department of Ford Motor Company, and told him at ten o'clock, or at a given time, on a given day, there would be three men appear in the president's office, or one of the high executives that would receive them, and they would dictate a policy to the Ford Motor Car Company regarding their salvage. He immediately notified the executives of the Ford Motor Company exactly what was happening at Briggs, and it could be prevented there. So when these fellows come—

The COURT. They did come?

The WITNESS. They did come at the given time, and while I am calling my shots, they were received.

By Mr. GARBER:

Q. Who were they?—A. Carl Renda, Martin, and his father-in-law.

Q. And what company?

The COURT. Ford.

The WITNESS. Ford Motor Company.

The COURT. When did they come, what day?

The WITNESS. That I don't remember exactly.

The COURT. I mean approximately.

The WITNESS. I really wouldn't guess that, because as I told you before, this had happened over a year ago, and I was dealing in so much information.

The COURT. Was it before or after you went to the FBI?

The WITNESS. That was before, because they had succeeded in coming in Briggs then, and inasmuch as they received an unwelcome at Ford Motor, they were going to lay low for a while and wasn't going to tackle the Chrysler then.

The COURT. Was John Bugas over at Ford's then?

The WITNESS. I believe he was.

By Mr. GARBER:

Q. Do you know who the official was they saw?—A. Yes, I remember his name very well, and I just can't recall it now. It's a very odd name. We have a man in our company very near the same name.

The COURT. What is your man's name?

The WITNESS. He is not in that capacity any more. I can't recall the name right now. Was it Roash, Rush, Rausch?

By Mr. GARBER:

Q. Rausch?—A. It was one of those names, but it was a big executive.

The COURT. He turned them down?

The WITNESS. Thumbs down and ordered the Service Department to assist them out in a hurry.

By Mr. GARBER:

Q. How did you get that information?—A. From the same people that had been giving me information before.

Q. You mean the father and son?—A. Father and son.

Q. In other words, they have a pretty good inside picture if they would tell us about it.—A. They know more than I do, because they were giving me the information, because we were determined we were going to break up this gang.

Q. Now, you must have been pretty well steamed up, Mr. Herbert, or you wouldn't have called in the FBI. You came down to the prosecutor's office with some gentleman from Hamtramck.—A. Mr. Spiegel.

Q. Mr. Spiegel, and an officer I call Boots, and you talked to me and Mr. Schemanske, and I believe Mr. Sheridan from the State Police was with you?—A. Yes.

Q. Crowding a year now?—A. Just about.

Q. Have you told us just all you know about this? You were pretty well steamed up. It seems you have cooled down in the past year. You were steamed up pretty well the last time, your memory is a little faulty, or you are losing your enthusiasm.—A. I did lose my enthusiasm, because a lot could be prevented, and I did have hopes at that time—I knew I was going to be relieved of my job or bumped off. It was a case of beating them to the draw.

Q. Were you ever threatened, your life threatened?—A. Not direct. The only thing, I was warned. I was very careful, every place I went, who was with me, and I was never alone, I could never be cornered. I had to watch myself quite a long time, and then the heat was off me.

Q. After you were discharged?—A. No. After I was discharged, I didn't do no more.

Q. Did you ever receive any letters subsequent to that?—A. I never received any letters or phone calls myself, but just recently the wife—that's why she called me and that's why I am here—it seems somebody was putting a little heat on around our place.

Q. What's happened relative to that?—A. Well, one of the first things was she received a couple of phone calls, mysterious phone calls with practically no sense or foundation to what they were talking about.

Q. What did they say?—A. Well, one said, "I got the wrong number," after she answered the phone. She said, "You evidently wanted this number or you wouldn't have called." He said, "Well, I certainly know when I have the wrong number." She said, "Who did you call?" That's how the conversation went, and the other person talked as though they were intoxicated. I didn't base anything on that, but I did become alarmed, when the car was sitting across from our house—

Q. Your car?—A. No. There was a car sitting across from our house, had two men in it, sitting there for some time and when the wife went out to mail a letter, they rode beside her for a while. She came right back in the house and stayed there, and I talked to her a day or two later. She told me.

Q. Has your car been photographed since you have been back here, do you know?—A. My car? That I really couldn't say, because I am driving the wife's car, and I have never noticed anyone following me.

Q. Have you been contacted by anyone from the union, to your knowledge?—A. No.

Q. Have you noticed any union men around?—A. No, because I haven't been home long enough. I have been in and out of the house all hours of the day and night, and have never been home very much since arriving Thursday, but on top of that, when the wife was hanging up clothes in the back yard, she believes somebody stepped from the garage and hit her in the head, because she has tremendous knot on her head. She was knocked down, unconscious for some time.

The COURT. Lately?

The WITNESS. Just this week. Another time when she was going in the back yard, she noticed the garage door open. The wind can't open that garage door. It is a well built new door, so she knows there was someone was in there.

By Mr. GARBER:

Q. When was she knocked unconscious.—A. The exact day or time I can't tell you, because she was only giving me this information as rapid as possible, and I didn't go into details about any of it.

The COURT. Is she there alone?

The WITNESS. She was there alone, that is, in the very beginning, when she come back to Detroit, which is about a month, six weeks ago, and when she received calls, saw suspicious people around the house, then she began staying at the daughter's house on different occasions.

By Mr. GARBER:

Q. When was it she was hit on the head?—A. That, I believe, was last week, as far as I recall. She told me she didn't want to tell me anything about the happenings until I come back, so she just was giving me a résumé of the different things, and I never did get the complete details.

Q. She still has a knot on her head?—A. She still has a knot on the back of her head. She didn't go to the doctor's with it. She also doesn't know how long she was unconscious. When Mr. DeLamielleure come over, that, she says, was the beginning of her trouble. Prior to that, we never had any trouble.

Q. What about a phone call you got from Mr. Silverstine relative to these beatings?—A. Well, Mr. Silverstine and I had talked quite a little bit about all of it, and he was one of the men that would receive information for me, and we would discuss it, and I would also get information and give it to him, so he is one of the men we would always remark when there was going to be another strike, we would say, "Somebody is going to get hell knocked out of them tonight."

Q. When these rewards were offered by the union, did Mr. Silverstine ever make the statement you could collect that reward?—A. We never discussed it, because it was not a healthy proposition, but it was published in the paper, not only the local papers, but union papers about these rewards.

The COURT. Just a minute, I would like to bring Judge Moll up to date.

(Discussion off the record.)

(Witness excused.)

# STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting on a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Wednesday, November 20, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

MAX W. TEMCHIN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name?—A. Max W. Temchin.

Q. T-e-m-c-h-i-n?—A. Correct.

Q. Where do you live?—A. 2726 Leslie.

Q. What is your business?—A. I am a metal dealer.

Q. How old are you?—A. 35.

Q. And are you in partners with anyone?—A. Yes.

Q. Or associated with anyone?—A. In partners with my dad.

Q. What is your father's name?—A. Daniel Temchin.

Q. Do you have a firm or trade name?—A. Yes, Continental Metal Company.

Q. Where is that located?—A. 15500 Russell Street.

Q. How long have you been in that business, Mr. Temchin?—A. Well, my dad started the business, oh, approximately 35 years ago. I have been in it since 1932.

Q. 1932. What type of metals do you deal in?—A. Nonferrous metals.

Q. And from whom do you purchase these nonferrous metals?—A. Oh, different accounts in the city—Packard Motor, Hudson, Briggs Manufacturing, Chrysler, and so forth.

Q. And how long have you had the account of the Briggs Manufacturing?—A. Approximately about 21, 22 years—say 21 years.

Q. And how do you buy this metal, by competitive bidding or is it sold to you under contract, or how?—A. Yes, buying the metal under contract.

Q. Under contract?—A. That's right.

Q. How long do your contracts last, or are they given for an indefinite period?—A. The shortest term contract was for three months. We had as high as a year contract.

Q. Did you ever have a year contract with Briggs Manufacturing?—A. Yes, we did.

Q. During the period from 1941 up to the present time, did you have shorter term contracts or contracts extending to a year?—A. Usually three months, but there was a period, I believe in 1942 or 1943, where the OPA ceiling prices prevailed, our contract just continued. They would make it three months, and at last six months, nine months.

Q. Well, say, in the first part of the year 1945, did you file competitive bids for your metals with Briggs Manufacturing?—A. Yes; we did.

Q. And was there any changes made in the year 1945?—A. Yes, sir; there was, I believe in March 1945, which I believe would be the second quarter. We submitted prices and we were told we were not awarded the contract. It went to another company.

Q. It went to another company?—A. Yes.

Q. Now, you had this contract with the Briggs for some time up until the second quarter of 1945, is that correct?—A. That's right.

Examination by Mr. MOLL:

Q. How long?—A. How long? I didn't get it.

Q. How long have you had the contract with Briggs?—A. Oh, up to that time, we done business about 20 years.

Q. And your contract covered ferrous metals or nonferrous?—A. Nonferrous.

Q. Merely nonferrous?—A. That's right.

Q. You had been buying Briggs scrap?—A. That's right.

Q. Nonferrous scrap?—A. That's right.

Q. As a result of contracts entered into after submitting competitive bids for a period of years?—A. That's right.

Q. Then you bid on the second quarter of 1945 as you had continually in the past?—A. That's right.

Q. And you were told then the contract had been awarded to someone else?—A. That's right.

Q. Who told you that?—A. The Salvage Department, a man by the name of Mr. Herbert, George Herbert. He isn't any more with Briggs Manufacturing.

Q. Did he give you any reason why the contract was taken away from you and awarded elsewhere?—A. Well, I went up to see Mr. Cleary, deceased now, head purchasing agent, and wanted to know how come, because when our contracts were for the last 20 years—I don't mean to say we were top bidders. Many things were taken into consideration. He told me at times people were bidding higher; but, taking into consideration our service and being pleased with the way we handled it, we were awarded the contract. I went up and asked Mr. Cleary how come we lost the contract for the second quarter. He was very vague, said it was just one of those things; we didn't lose it for life; they just made a contract for three months with this firm.

Q. Did he tell you who the firm was?—A. Yes, sir; he told me. I knew it myself.

Q. What did he tell you?—A. He told me our prices weren't good enough, and for reasons he can't tell me he couldn't go into that; we lost the contract for three months; we were welcome to come in again and bid again in the third quarter.

Q. Did he say to whom the contract had been awarded?—A. Yes.



Q. Who?—A. Carl Renda Company.

Q. Had you ever heard of him?—A. No; never heard of them up to that time.

Q. Did he tell you where they were located?—A. No.

Q. Or anything about them?—A. No; he did not.

Q. He didn't tell you how they fit into the picture in any way?—A. No; didn't tell me a thing.

Q. Who was present at that conversation?—A. Who was present? I don't believe anyone.

Q. Just you and Cleary?—A. Yes.

Q. Cleary was purchasing agent at Briggs?—A. Yes.

Q. W. J. Cleary?—A. W. J. Cleary.

Q. Did you talk to him only that once or again?—A. No; about a month later or so there was another dealer in the city that was handling this metal, who gave service to this company.

Q. To which company?—A. To Carl Renda Company; that is, by sending his trucks out, picking up the metal.

Q. What company was that?—A. United Metals Company.

Q. Who operates that?—A. Well, two brothers, and the father died. Two brothers, Phillip and Ruby Dubrinsky.

Q. Dubrinsky?—A. Yes.

Q. They operated United Metals?—A. Yes.

Q. And, so far as you know, they were collecting the scrap?—A. Yes, for the Carl Renda Company.

Q. For the Carl Renda Company?—A. That's right.

Q. Under the Renda Company contract for the purchase of nonferrous salvage?—A. That's right.

Q. From Briggs?—A. That's right.

Q. Correct?—A. Correct.

Q. Okay. Having heard that, you went to Cleary again?—A. That's right.

Q. And where did you see him?—A. At his office.

Q. What was that conversation?—A. That was after I was contacted. I was contacted by Carl Renda—well, a man that represented him.

Mr. GABBER. Who is that man?

The WITNESS. Charles Martin, whom I know quite a few years before that, but didn't know he had any connections with this Carl Renda Company.

Mr. GABBER. Who is this Charles Martin?

The WITNESS. He is in business himself, more or less a broker in waste material.

Mr. GABBER. Was he ever a lawyer?

The WITNESS. I don't think he ever practiced. He told me he was a lawyer; yes.

Mr. GABBER. Was he disbarred?

The WITNESS. I couldn't tell you. I don't think he ever practiced.

The COURT. Inquire how and under what circumstances he got in touch with this fellow Martin.

Mr. GABBER. I didn't mean to take it away.

Mr. MOLL. All right, go ahead.

Mr. GABBER. Go ahead.

By Mr. MOLL:

Q. When had you first met Martin?—A. I knew Martin four or five years prior to that.

Q. Under what circumstances did you meet him?—A. More or less socially. I never done business with the man. He handled different material than we ever do.

Q. What?—A. He handled waste scrap, woolens, clippings, cuttings, that we don't handle.

The COURT. Where was he located when you met him?

The WITNESS. He was connected with the different companies. He wasn't in business for himself up until a couple of years ago, when he returned back from the army.

The COURT. Was he in the army?

The WITNESS. Yes.

The COURT. What branch?

The WITNESS. I couldn't tell you.

The COURT. How old a man is he?

The WITNESS. About my age, 35 years.

The COURT. Was that always his name?

The WITNESS. No; it was not always his name. My dad knew his dad. His name was Margolis.

Mr. MOLL. Margolis?

The WITNESS. Margolis was his original name.

The COURT. What was his original name, Charles Margolis?

The WITNESS. Charles Margolis.

The COURT. Where did he live when you first met him?

The WITNESS. I don't know.

The COURT. Your father knew his father?

The WITNESS. That's right.

The COURT. What's his father's name?

The WITNESS. Well, Margolis. I don't even know his first name. He's dead quite a few years.

The COURT. Where did Martin come from; do you know?

The WITNESS. Well, I only knew him about four or five years before.

The COURT. In other words, his place of origin?

The WITNESS. I couldn't tell you.

The COURT. Did he come from New York?

The WITNESS. I never asked him.

The COURT. He's Italian?

The WITNESS. No; he's Jewish.

The COURT. Margolis?

The WITNESS. He's Jewish.

By Mr. MOLL:

Q. In any event, when you first met him, he lived in Detroit?—A. Yes.

Q. You know him as Martin or Margolis?—A. Martin. The first time I met him he was Martin.

Q. And he was representing various companies that purchased different types of scrap?—A. That's right.

Q. Did he have an office?—A. Yes; he did.

Q. Where?—A. He was over in the Telephone Exchange Building on Cass Avenue.

Q. Under what name?—A. He called himself the Continental Waste Material Company.

Q. That had no connection with your company; did it?—A. No, sir; no connection.

The COURT. Was his name Margolis when you first met him?

The WITNESS. No; Martin.

The COURT. How do you know his name was Margolis?

Mr. MOLL. Through his father.

The WITNESS. Through my father.

By Mr. MOLL:

Q. Well, now, you say that Martin, formerly Margolis, came to see you?—A. Yes.

Q. What about?—A. He wanted to know if we would be interested to handle—to get the Briggs account back on the same basis like United Metals, give them service, but he understood—he said at the time that he hated to see us lose this account, and we are so much familiar with the account; we can give service, and there's no reason why we can't buy this metal through the Carl Renda Company, and so forth, so I told him I will let him know. I immediately went up to see Mr. Cleary, W. J. Cleary, and told him exactly what transpired, told him I was contacted by these people, the new company and they wanted us to give them the service and buy the metal from them. He merely asked me one question, "What are you in business for?" "To make money." He said, "Why, sure. Well, to make money, we wouldn't think the less of you if you sent your trucks, you are so familiar with our account and give this company service." So I went back and called Mr. Martin and told him I am interested, it all depends on prices, and he finally got around to it, we quoted him prices and—I didn't quote him prices. Then the original price I quoted, there was a few different changes, but the market changed and we started to handle that account for Carl Renda Company.

Q. All right; now, let me interrupt you there; will you? When you were dealing directly with Briggs for the purchase of nonferrous scrap, it was all on a basis of competitive bidding?—A. That's right.

Q. Throughout the years?—A. That's right.

Q. And you would enter into a contract for three months to a year?—A. Right.

Q. Your contract was confined to the purchase of non-ferrous-metal scrap?—A. That's right.

Q. And how much did you pay for it?—A. Different prices.

Q. Well, how much would it run?—A. How would the account run?

Q. What did you base your contract price on?—A. Well, there were different classifications of metals, approximately 30 different classifications. Each classification carried a certain price.

Q. Per pound?—A. Per pound; some material per ton on the cheaper grades of material.

Q. As part of your contract, you would have to collect that in the plants?—A. That's right.

Q. Collect it and take it away?—A. That's right.

Q. But nevertheless you would pay so much per pound?—A. That's right.

Q. And could you tell the Court about how much you paid per month on an average for all the scrap you collected?—A. Of course, it all depends on the production. During the war there, scrap generated at the plants, five or six different Briggs plants, amounted to in the neighborhood about, roughly, \$25,000 per month.

Q. That you would pay for it?—A. That we would pay for it. Prior to the war, oh, like it is right now, it only amounts to about three thousand per month.

Q. I see. But during your twenty years the amount varied, of course, in accordance with production?—A. That's right.

Q. During the war the amount of scrap went up considerably, so that you were paying \$25,000 a month.—A. That's right.

Q. And what would that average per pound, would you say? What poundage would that cover, or how much a pound?—A. That's hard to estimate, but I will give you an idea. During the war the prices were low on account of the merchandise being so plentiful. During the war we figured about \$50 a ton, two and a half cents a pound.

Q. Two and a half cents a pound or \$5 a ton?—A. \$50 a ton.

Q. That would represent a fair average?—A. That would represent a fair average.

Q. On all types of material?—A. That's right.

Q. Now, then, you would dispose of that scrap as you saw fit to purchasers from you?—A. That's right.

Q. Now, do you know what the Renda Company bid?—A. No; I don't.

Q. When you got their contract for the second quarter of 1945?—A. No.

Q. You don't know what they bid?—A. No; I don't.

Q. You don't know whether they were over or under you?—A. Well, I can only say I never seen anything in writing, wasn't told, but it was rumored they were under our bid.

Q. Under your bid?—A. Yes.

Q. And that would be something under two and a half cents a pound?—A. Well, if that would be the average, that would be so.

Q. Just in round figures, so we won't have to get too technical, if your average for the first quarter in 1945 was two and a half cents a pound on all types of material, they must have been under you?—A. Yes.

Q. But that you don't know?—A. I don't know.

Q. Now, do you know what kind of a deal Renda Company had with United Metals for the collection of this scrap?—A. Well, it's vague, but United Metals paid Renda Company so much a pound for the material.

Q. And they then collected it?—A. They picked it up with their trucks.

Q. And disposed of it as you formerly had, we will say.—A. That's right.

Q. And whatever they paid them would give the Renda Company its cost price plus some profit?—A. Cost price plus some profit.

Q. Now, then, after Martin approached you, did you enter into a deal with the Renda Company?—A. Yes.

Q. Now, what type of contract did you enter into with Renda Company?—A. The contract was written by Martin. The contract merely said for a period of three months, naturally expiring June 30, 1945—

Q. Was it for the second quarter or third quarter?—A. Second quarter—we were getting the metal ourselves up to June 30, 1945, in consideration of the following prices—we listed all the classifications that we quoted them, and that our trucks could pick up this metal from the Briggs account under the Carl Renda name. That's about all there was to it.

Q. Would you pay any money direct to Briggs?—A. No.

Q. Pay it all to the Renda Company?—A. Yes; like a new account, to Carl Renda Company.

Q. What was the price on an average, over what you paid Briggs, on an average?—A. Very small, approximately \$5 a ton. If our average was two and a half cents a pound, then his average would have been possibly two and three-quarter cents a pound, \$5 a ton.

By Mr. GARBER:

Q. Fifty-five instead of fifty?—A. Yes. Of course, at that time the market was a little better. In other words, we didn't pay Carl Renda any more than I would have paid to Briggs at the time.

By Mr. MOLL:

Q. So anything he must have made was the differential between what they paid Briggs and you paid them?—A. That's right.

Q. They didn't service the account in any way?—A. No; they didn't.

Q. How long did you have that contract with Renda Company?—A. Up to June 30th, 1945.

Q. And then what happened?—A. Then the Briggs sent out new bids for the third quarter, which we were very much surprised we got the material back from Briggs under our name.

Q. That is nonferrous?—A. Nonferrous.

Q. Now, generally speaking, what types of scrap are there?—A. Different classifications of scrap or types.

Q. Well, there's the ferrous and nonferrous metals?—A. That's right.

Q. And then what other types?—A. That's all there is. What other types? That's all there is in metals—ferrous and nonferrous.

Q. You bid on nonferrous?—A. Nonferrous.

Q. You never bid on ferrous metals?—A. No, no steel.

Q. You got the contract for the second quarter?—A. Third quarter.

Q. The third quarter?—A. That's right.

Q. Do you know whether Renda Company bid on it?—A. Yes; they did, as far as I know. I am quite sure they did.

Q. In their own name?—A. In their own name.

Q. Did they get any salvage contracts from Briggs for the third quarter?—A. Yes; they did. They were still servicing or getting the steel, the ferrous, and the salvage and of salvage paper, rags and clips, and all that.

Q. They got nothing but nonferrous?—A. As I understood at the time, they got everything but nonferrous.

Q. Now, you bid for the third quarter in the name of your own company—A. Yes; sure.

Q. You didn't bid for and on behalf of Renda?—A. No.

Q. Did you have any connection with Renda in your contract for nonferrous scrap for the third quarter?—A. No.

Q. None whatever?—A. None whatever.

Q. And you didn't pay Renda Company any money as a result of your third-quarter contract with Briggs?—A. No; I did not. I also raised my prices quite a bit.

The COURT. On the resale?

The WITNESS. No; on getting the contract when we bid. See, when we made the original contract with Renda for the second quarter I stipulated in the contract at the end of that period, we are free—that is right in the contract—we are free to compete against that company if Briggs will send out bids. We didn't have to enter into any collusion with him regarding a bid to Briggs, and as a result went quite a bit higher and hit it on the third quarter.

By Mr. MOLL:

Q. What about the fourth quarter?—A. We also got the fourth quarter.

Q. Who got the rest of it?—A. Carl Renda.

Q. Now, coming into the year 1946, are you getting nonferrous scrap from Briggs?—A. Not direct. It's the same situation in 1946, from the beginning of this year.

Q. What happened then?—A. Carl Renda again got the contract from Briggs Manufacturing on the nonferrous and he told me that Briggs will not send out any more bids.

Q. After the first of the year?—A. After the first of 1946, so we were forced to, more or less, to continue on the same basis as we did that second quarter, and it is up to this very minute.

By Mr. GARBER:

Q. Who told you no more bids will be sent out?—A. Carl Renda told me, and I was also told by Mr. Herbert, the salvage man at the time.

By Mr. MOLL:

Q. Did you ever talk further to Cleary?—A. I don't remember. I know he got sick just around that time.

Q. Around the first of the year?—A. Yes, he passed away in the spring.

Q. Now, coming into 1946, the last time that competitive bids were asked for was the first quarter of 1946?—A. That's right.

Q. Carl Renda Company got the contract for nonferrous metals?—A. That's right.

Q. And I presume they also got the contract for the rest of the salvage?—A. That's right.

Q. And that is the last time or the last quarter that bids had been asked for and submitted?—A. That's correct.

Q. So that since January 1, 1946, all scrap from the Briggs plants have been sold to Carl Renda Company?—A. That's true.

Q. Have you ever seen the bids or their contracts?—A. No.

The COURT. In other words, the Carl Renda Company gets it without bidding?

The WITNESS. That's right.

By Mr. MOLL:

Q. Now, they bid the first of January 1946?—A. We bid.

Q. And they did?—A. I believe so. I don't know whether they bid or not, but I imagine they did.

Q. At least bids were asked.—A. Bids were asked.

Q. For the first quarter of 1946?—A. For the first quarter of 1946.

Q. You submitted a bid?—A. We submitted a bid.

Q. And you didn't get the contract?—A. No.

Q. Do you know how many bids were submitted on nonferrous?—A. I can only guess—I would say about five or six.

Q. Do you know whether Renda Company submitted a bid?—A. I think they did.

Q. But you are not sure?—A. I am not sure of that, but I think they did.

Q. In any event, Renda Company got the contract for nonferrous scrap?—A. Well, they got it about the end of the month, the end of January. We continued getting it on the old year's prices.

Q. Until the end of January?—A. Just around the end, when we were told the contract was going to Carl Renda.

Q. And as far as you know, in addition, Renda Company have the purchase of other scrap?—A. That's right.

Q. Now, then, along about the last of January 1946, when Renda took over and you got out of the picture so far as Briggs was concerned—A. That's right.

Q. Then you entered into another contract with the Renda Company?—A. That's right.

Q. And what were the terms of that contract?—A. Similar to the terms of the first contract. As long as we were asked for a bid for the first three months, for the first quarter, we in turn made a contract with Carl Renda Company for three months, stipulating again if Briggs will send out bids again, we are free to compete, and at the end of three months we had to continue our contract because Briggs never sent bids out, asked for any bids. Meanwhile—there is only one little point—we are bidding at Briggs to this point direct, on different material, not in the regular course of business, also scrap, but any item that would come up without any classification, we are bidding at Briggs, which we are successful in getting.

Q. Now, as the matter now stands, you are collecting all the nonferrous scrap from the Briggs plant?—A. That's right.

Q. Under the Renda contract?—A. That's right.

Q. What are you doing with that scrap after you collect it?—A. Well, we smelt some of it, put it back in ingot form, some of it we clean it, if it is contaminated, and we sell carloads or truckloads.

Q. In other words, you buy from Renda the scrap that you formerly bought from Briggs?—A. Exactly.

Q. You collect it and Renda Company, in fact, has nothing to do with the collection of the scrap?—A. No.

Q. Your Continental Metal Company collects the scrap from Briggs which you buy from Renda?—A. That's correct.

Q. Now, is your existing contract with Carl Renda Company reduced to writing?—A. No; we have no more contract with him. We kept—we continued, I believe, making contracts; when the first quarter run out we didn't have any contract till around June; we just let the thing slide because he was satisfied with our service and we were satisfied with the account as far as the account is concerned, but around June we made another contract which already expired around October—I think October 15th, because I think it was written June 15th. Since October 15th again, we have no definite contract.

Q. Well, whatever contracts you had in writing with Renda Company you still have?—A. Oh, sure.

Q. They're in your office?—A. Yes.

Q. You could produce them?—A. Oh, sure.

Q. Do I understand that, generally speaking, you made as much money buying the scrap through Renda as you did when you bought it direct through Briggs?—A. Well—

Q. Or to put it another way, you get the scrap almost as cheaply from Renda as you did from Briggs?—A. Just about.

Q. I mean, with slight variations here and there?—A. That's right.

Q. So the net result of the whole thing was you didn't really lose any money by the loss of the account?—A. That's correct.

Q. Are you still doing business with the Carl Renda Company?—A. Yes; we do.

Q. Where is their office located?—A. On Bellevue, I believe it is—1135 Bellevue, 1133, something like that.

Q. And who comprises the company?—A. Just Carl Renda Company—I mean, just Carl Renda, really.

Q. Who is in it?—A. I don't know if there is anybody else in it besides him. I don't know. We only do business with Carl Renda.

Q. Is it a corporation or a partnership?—A. I couldn't tell you.

Q. Your contract would show that?—A. Well, I don't remember if it is a partnership or corporation.

The COURT. Well, you originally did business with Martin?

The WITNESS. No; we never did business with Martin. Martin was just merely more or less representing Carl Renda Company.

The COURT. He was the contact man?

The WITNESS. You may call it so.

By Mr. MOLL:

Q. Now, can you give us the names of anybody interested in the Carl Renda Company that you have ever contacted?—A. No; besides Charles Martin, I don't know anybody that might have an interest in the company except his own family probably. The only other man I ever met was his father-in-law, Carl Renda's father-in-law.

Q. Who was that?—A. That was right about the time we first met Carl Renda. That was his father-in-law. His name is Perroni.

Q. What is his first name?—A. I think it's Sam.

Q. Sam Perroni?—A. Yes.

Q. Under what circumstances did you meet Sam Perroni?—A. Well, he was sitting in a car, something like that.

Q. Where?—A. In front of our office.

Q. And when was that, approximately?—A. That was at the very beginning, when I met Carl Renda. That was in March 1945.

Q. It was about the time Renda was bidding on the job for the second quarter?—A. That's right.

Q. Who is this Perroni, do you know?—A. I don't know.

Q. Did you make any inquiry about him?—A. Yes; I did, and the only thing I found out, he was handling the material from the Michigan Stove Company, then he is also in that business more or less; he is in the rubbish business, cleaning up the rubbish in the plant, but he also gets some scrap, steel and metals from Michigan Stove Company. Other than that, I don't know anything about him.

Q. Do they have a plant, Carl Renda Company?—A. They have a yard—a yard and office.

Q. They don't do any smelting?—A. Warehouse and storage yard.

Mr. GARBEE. Do you know when they first got an office and this yard?

The WITNESS. Yes; approximately about five or six months ago.

Mr. GARBEE. Well, at the time they bid on this and you lost the contract on the second quarter of 1945, did they have an office and yard at that time?

The WITNESS. No.

Mr. GARBER. Did they have any trucks?

The WITNESS. No.

Mr. GARBER. Did they have anything that you know of to handle scrap material?

The WITNESS. No; as far as I know—they admitted to me they didn't have any way of servicing the account. Today, however, they have trucks.

The COURT. How old is Renda?

The WITNESS. About 30 years old.

The COURT. Is he experienced in the salvage business?

The WITNESS. I don't think so.

The COURT. Was Martin?

The WITNESS. Yes.

The COURT. In a small way or large way?

The WITNESS. No; in a small way.

Mr. GARBER. Do you know Renda's real name?

The WITNESS. No; that's the only name I know, Carl Renda.

By Mr. MOLL:

Q. Now, you were naturally interested, of course, in why you lost the Briggs contract for the second quarter?—A. Yes.

Q. You talked to Herbert?—A. Yes.

Q. What did Herbert tell you?—A. Well, he was as much interested as I was to find out why all this happened. Besides rumors and opinions and all that, I never heard anything concrete why this is so up to this very minute.

Q. Now, this is an entirely secret proceeding and you are under oath?—A. Yes.

Q. But it is absolutely secret. What did you learn from your conversations first with Herbert as to why this contract had gone to Renda?—A. Well, the original conversation with Herbert went something like this: I have learned from Herbert that Renda gave some sort of a service to Briggs Manufacturing—I don't know in which way, form, or manner—where he can control the labor question. How he would control it I don't know. I haven't got any idea. Whether he can talk to the stewards, and so forth—of course, it was his opinion—I am merely stating Mr. Herbert's opinion at the time—that Briggs had quite a few strikes and that Carl Renda would perform the service of keeping those strikes at a minimum, and that's the reason why Briggs were willing to put themselves out on a limb and give them all that business. I say this is up to this day, and I wouldn't swear to it.

Q. That's Herbert's statement to you.—A. His opinion to me.

Q. Did he give you any verification of that opinion?—A. No.

Q. Or how he had arrived at the opinion?—A. No. It was his opinion. He told me that he found it out, but he wouldn't give me the source of the information.

Q. Now, when you talked to Cleary, after talking to Herbert, did you discuss that situation with Cleary, as to why you had been moved out and Renda moved in?—A. Yes, Cleary told me it has to do with dollars and cents. In other words, our prices weren't good enough.

Q. Now, you are familiar pretty much, aren't you, with the lay-out of the plants?—A. Yes.

Q. Through the collection of scrap.—A. Yes.

Q. Did you notice any change in the labor policy or the labor set-up?—A. No, I haven't noticed any, with the exception I have noticed there is less strikes than what they had during the wartime. Briggs didn't have too many strikes this last year or two.

Q. Have you investigated that situation at all as to how that came about?—A. Well, I never did investigate. I asked quite a few people in the plant if they can tell me anything, really out of curiosity on my part, but got merely opinions, hearsay.

Q. What were some of the opinion expressed?—A. Along the same line that Mr. Herbert discussed with me originally, still along the same line of the labor question.

Q. Well, were any names mentioned?—A. No.

Q. Were any instances or incidents cited?—A. No.

Q. Did anything come to your attention that would indicate that the Renda Company was performing any labor service for Briggs?—A. I haven't noticed any.

Q. What is your own opinion as to why this happened?—A. I might add, I think the same, along those lines, this is so. I may add the only other thing that was told me, more or less an opinion, I was wondering why people like that will come to Briggs Manufacturing and sell them the idea, if this is so, and I was

told the idea was sold to them by the Michigan Stove Company, who his father-in-law handled, quite a few years, and they didn't have any labor trouble there.

MR. GABER. That's where Perroni works.

THE WITNESS. Where Perroni worked or serviced.

By MR. MOLL:

Q. Could you tell us who told you that?—A. I couldn't. I really don't remember.

Q. Now, was it Herbert?—A. It could have been. He might have. It could have been almost anybody I talked to.

Q. Well, give that some thought now. That's of some importance who gave you that bit of information. What is your best recollection?—A. It's hard to recollect. Well, I can only tell you with whom I discussed it.

Q. Let's do it that way.—A. I discussed it with Herbert who was the salvage manager at Briggs. I discussed it with Nate Silverstine, who is doing business with Briggs up to this day. He is more or less in the machinery line. And then, of course, I discussed it with the salvage manager who is the head now.

MR. GABER. What's his name?

THE WITNESS. His name is Clifford Reichman, and that's about the three main ones.

By MR. MOLL:

Q. What?—A. That's about the three main people I discussed it with. I discussed it with a dozen people in the plant who asked me a question and, in turn, I would say, "What do you think?" but as far as anybody saying that was all definite information, because it was more or less hearsay and opinions.

Q. Now, did you ever do any business with Michigan Stove?—A. No.

Q. Do you know any of the management there?—A. Well, I shouldn't say, no. We might have done it under my dad's name. I think we did business quite a few years ago, just on one deal, like a bid or something.

Q. With whom did you deal?—A. I don't know. It wasn't in my time.

Q. Do you know any of the management there?—A. No, I don't know anybody over there.

Q. Do you know whether there's any truth in these rumors that you heard?—A. No, I don't.

Q. That Perroni and others had done a job for the stove works?—A. No, I don't. I couldn't say there's any truth in it.

MR. MOLL. Well, let me say this to you off the record.

(Discussion off the record.)

THE WITNESS. Well, I can only tell you that I discussed the reasons why this happened with so many different people like I mentioned. I would say a dozen different people I naturally came to the conclusion quite a while back it must be so, because I couldn't see any other reason why Carl Renda Company, who, by the way, personally, I think is a swell chap, he's a college man, a graduate of Albion College—he is the only one I do business with—I told it to my dad, if I was doing business with a company, if they were gangsters, anything else, I don't care how much money I could have made on the deal, I feel that way, I wouldn't have done business with the company, but I still do business with Carl Renda Company. Carl Renda is a gentleman, a very nice fellow to do business with; I never argued with the man; we never run into any difficulties, because it is a pleasure really to handle the account under his name, not that I wouldn't like to handle it back direct with Briggs, because to me it's a certain reputation at stake, I like to do business direct, not indirect. But coming back to my opinion, I don't know of any other opinion than the consensus of people I talked to, and they all seem to lead along the same lines. It is a labor question. Carl Renda must perform something for Briggs Manufacturing whereby Briggs is going to give him all this scrap material. What this performance is, what it is, I don't know. I never asked him. I never asked Carl Renda. I thought it was none of my business to ask him. He only told me that he is in there to stay, and as I understand it, the contract—this I was told by Charles Martin—that the contract he's got with Briggs, and I understand he has a contract with Briggs—

THE COURT. Who has?

THE WITNESS. Carl Renda Company—has a clause in it—in fact, I was shown the contract; I wasn't shown the whole contract, but I was shown the contract just a small part of it, where it says Briggs Manufacturing Company is giving or selling Carl Renda Company the following articles, nonferrous metal, ferrous, iron, steel, waste paper, clips, so no, and so forth, six or seven different items, which is the general form of scrap. In other words, that showed to me they did have a contract and were tied up with the Briggs Manufacturing.



Mr. GARBER. Do you know how long the contract is for?

The WITNESS. It has no limitation, but can be cancelled on thirty days' notice. This I am told, I think, by Charles Martin.

Mr. GARBER. But it is not a definite contract?

The WITNESS. It is not a definite contract, no definite time stated.

Mr. GARBER. Do you know why Mr. Herbert was discharged or lost his job?

The WITNESS. Well, I can also only give an opinion about it.

Mr. GARBER. All right, what's your opinion?

The WITNESS. It was also quite a shock to me, because that man had been on the job, I believe, 22 years, been with Briggs Manufacturing, and he was let go this year on January 7th, I believe, a year ago.

Mr. GARBER. This year?

The WITNESS. This year, and ever since then I askel anybody that I knew why Mr. Herbert was discharged, and I heard all different kinds of opinions until Mr. Herbert showed me—he went to California. Mr. Herbert's bought some piece of property, is building some kind of a trailer camp. Well, he came back here around May or June to Detroit, and he showed me a letter he never showed me before, showed me the letter he dictated to the FBI. The FBI has some sort of investigation at Briggs, and, as I understand, the FBI wanted to know since it was government material, they wanted to know why it should be sold without competitive bids. Mr. Herbert gave them a full statement, and kind of put Mr. Cleary—I read the evidence—and sort of put Mr. Cleary on the spot, more or less throwing all the blame on Mr. Cleary, and Mr. Herbert did put up some sort of fight against the Carl Renda Company for the first six months anyway. I told him personally, as a friend, "Mr. Herbert, you are foolish to fight something, if the management wants to do something beyond you, you are foolish to fight it." So he did. The only opinion, he was fired from Briggs Manufacturing, because he gave that kind of evidence.

Mr. GARBER. Did you ever tell Mr. Herbert if he didn't stop bucking Renda Company, he would get fired or bumped off, words to that effect?

The WITNESS. No; I did warn him, however.

Mr. GARBER. What did you warn him?

The WITNESS. Just gave him my opinion.

Mr. GARBER. What opinion did you give him?

The WITNESS. I gave him the opinion, he's only working for Briggs Manufacturing, and his job wasn't too big of a job, and I don't know how much influence he has except his own supervisor over him, and I told him he was foolish to buck a thing like this, where Mr. Cleary and I understand, Mr. Cleary right up to the president of the company, were in accord with a thing like this. I told him I thought it was foolish to buck it.

Mr. GARBER. Did you ever tell him he might get bumped off or killed?

The WITNESS. No.

The COURT. You had no ulterior motive except your friendship with Herbert?

The WITNESS. The only motive, I did business with the man ten or twelve years, Judge.

The COURT. According to your business relations with Herbert over a period of years, would you be inclined to believe anything he said?

The WITNESS. More or less; yes.

The COURT. His word is good?

The WITNESS. Yes.

The COURT. Not a crackpot?

The WITNESS. No.

By Mr. MOLL:

Q. You think he was on the square?—A. I think he was very much on the square.

Q. You had no evidence of dishonest dealings with him when you were dealing with him or through him?—A. No.

Q. Did you feel that this Renda-Perroni combination was a dangerous thing?—A. Yes, I did.

Q. Why did you feel that way?—A. Well, because I don't believe in—if the opinion that I have and that other people had, the reason for these boys to go into Briggs and perform something against labor, instead of having a pay-off like the old days, where the gangster would come into a store and say he would give him some certain kind of protection—the company will eventually have to pay up. In this way, they are doing business, I don't like it at all. I still don't like it up to this minute.

The COURT. What is the objectionable thing to you?

The WITNESS. The objectionable thing to me, if the reasons are so, why Mr. Renda is in there performing something against labor.

The COURT. What is he doing?

The WITNESS. I don't know. I don't know, but the evidence is there, only that Briggs had less strikes the last year and a half than they ever had.

Mr. GARBER. Did you ever hear of any beatings at the Briggs?

The WITNESS. No, except what I read in the paper.

By Mr. MOLL:

Q. You heard of them. You heard of a series of beatings?—A. Yes what I read in the paper.

Q. Did you come to any conclusions about that?—A. No; I was wondering about it, but somehow this Carl Renda is a very nice fellow, to my estimation. I couldn't connect him with any underground movements of that nature.

The COURT. In other words, what happened to you with your contract, and what you heard, contrasting that information, those opinions against the personality of Carl Renda, you can't reconcile it.

The WITNESS. No; I can't.

The COURT. In other words, it doesn't seem to you those rumors are well founded?

The WITNESS. That's right.

The COURT. But you know they are there?

The WITNESS. I just feel they are there; yes.

The COURT. And you know there's less strikes since he arrived on the scene?

The WITNESS. Yes.

Mr. GARBER. Do you know anything about Perroni?

The WITNESS. No.

Mr. GARBER. Do you know what their reputation is?

The WITNESS. Just what I heard.

Mr. GARBER. What?

The WITNESS. Well, I heard Perroni—I tried to investigate the company myself, Carl Renda, when he got in the picture, and when I realized Perroni was there, I asked a few friends of mine who Perroni was. They said this Perroni did have a jail record.

The COURT. That's Sam Perroni, the father-in-law to Renda?

The WITNESS. Sam Perroni. In other words, Renda married his daughter.

By Mr. MOLL:

Q. Well, there must be some talk in the trade about this Carl Renda Company; isn't there?—A. Well, there was talk at first.

Q. What was that talk?—A. Along the same lines that they would take away an account with strong-arm methods. Of course, there wasn't any strong-arm methods in the Briggs case.

Q. Well, they muscled in?—A. That's right.

Q. For some reason.—A. For some reason; that's exactly right.

Q. What other plants are they hooked up with, outside Briggs and the Stove Company?—A. I don't know.

Q. Pardon me. Is that the Michigan Stove or Detroit Stove?—A. Michigan Stove Company.

The COURT. Where are they located?

The WITNESS. Right here on Jefferson Avenue near Belle Isle Bridge.

By Mr. MOLL:

Q. That's Fry's Company.—A. Fry's Company. As I understand—this is only rumor, I don't know exactly, but John Fry sold the deal to Briggs Manufacturing.

Mr. GARBER. That is, Mr. Fry told about his service?

The WITNESS. That's it, because I couldn't figure out where people like Perroni—you don't have to talk too much, say what kind of man he is—could sell a thing like this to a corporation like Briggs, but where Mr. John Fry would sell the idea, I can see where it would take.

By Mr. MOLL:

Q. Did it ever come to your attention—strike that. What information have you that Fry may have approached Briggs on behalf of Perroni and Renda?—A. No definite information.

Q. What is the source of your information?—A. Well, as I said before, I don't know if Mr. Herbert told me that or Mr. Silverstine told me that, or anybody else I talk to.

Q. It may have been Silverstine?—A. But to my mind, it filled a gap. When you make up your mind it must be so, the next thing is, who could sell an idea like that to Briggs, and when I was told John Fry—I don't know John Fry—I felt he was a man big enough to sell the thing to Briggs.

Q. Do you think the thing was sold direct to Robinson?—A. Dean Robinson?

Q. Do you know him personally?—A. I met him once, yes.

Q. What is your reaction to him?—A. I don't know the man well. He seems to be a nice fellow.

Q. Well, he seems to be, but let's take our hair down. What do you think about Robinson? Do you think he would go for a deal of this kind?—A. I think he might; yes.

Q. What makes you think that?—A. Well, first of all, Dean Robinson is connected with Briggs as a son-in-law to Walter. Dean handled the labor question at Briggs. It was his job, as I understand it, to deal with all the negotiations with labor, and when he became president of the Briggs Manufacturing, I could see that a man of his type, being labor, was a big thing, anyway, that he would go for something like that. That's just my personal reaction.

Q. Well, do you think they have got this situation in their hair?—A. I think they got the bull by the horns and can't let go.

Q. You mean, the bear by the tail?—A. The bear by the tail.

Q. Got their tail in the gate? What makes you think that?—A. I don't know, because it seems to work. The whole tie-up seems to work.

Q. Well, what indication have you that it works?—A. Well, the only indication I have is that Briggs has less strikes. See, it's evident Briggs haven't had any trouble at all in the last year or so that wasn't settled in one day.

The COURT. You don't know how that got settled, do you?

The WITNESS. No.

By Mr. MOLL:

Q. Did you ever hear any rumors?—A. No.

Q. Of what their effective method is?—A. Well, I can go as far as saying, yes, I was curious to know how you can control labor, how you can control twenty or thirty thousand people.

Q. How?—A. But people ventured their opinion to me, he didn't have to control twenty or thirty thousand. All he had to control is the different stewards at the plant, who are mostly Italian, I understand, and Carl Renda and Peroni are Italian, and if he can control the stewards in the different plants, he has the job licked.

Q. What is your idea on whether this control is effected, through, say, a pay-off or violence?—A. Well, as I said before—

Q. How do they make the stewards or the agitators out there stand still, through a little financial payoff?—A. It might be. That's the easiest way.

Q. Or threats of violence?—A. See, as I said before, I couldn't connect Carl Renda personally with any violence or anything along the gangster form of man. What's in back of him, I don't know. My idea, it could be either one, it could be violence or a payoff. A fellow may work on a job, and just pay off to keep his men quiet, he will see to it.

Q. What theory do you incline to?—A. Well, the easiest theory would be a payoff.

Q. Well, that's a little more dignified than beating hell out of them?—A. That's right, but the only thing, my reaction to his father-in-law if I was doing business with his father-in-law, which I don't think I would, I wouldn't put it far past him.

Mr. GARBER. Far past him to what?

The WITNESS. To venture an opinion about beatings or anything else, but it is just an opinion. I say it is a personal opinion.

Mr. GARBER. Well, Renda is a good front man, a nice little fellow.

The WITNESS. A college man, used to play football up at Albion.

Mr. GARBER. He graduated when?

The WITNESS. He's only 29 or 30. He graduated the last few years.

The COURT. Where did Renda come from?

The WITNESS. As far as I know, from Detroit.

Mr. GARBER. Did you ever hear of him by the name of Rendazza?

The WITNESS. No; I never heard of it.

By Mr. MOLL:

Q. Did you ever suspect that the Renda Company was getting this contract for nothing?—A. No; I never suspected.

Q. Was that ever mentioned or brought to your attention?—A. No.

Q. You think they are actually paying for the scrap contracts?—A. Well, we know he is paying for his scrap contract, that is, I actually hadn't seen any payments, but see, when our trucks go to Briggs Manufacturing to pick up metal, our drivers pick up a packing slip made out to Carl Renda; our driver signs it. When our driver brings it to our office, we, in turn, make a memorandum of the packing slip so we give him credit and we send his packing slip back to Carl Renda Company so Briggs has a record of every pound of scrap going out of the plant.

THE COURT. In other words Carl Renda Company is getting the metal out through your trucks?

THE WITNESS. That's right.

THE COURT. And you are paying Carl Renda Company?

THE WITNESS. Yes; we are paying Carl Renda Company.

THE COURT. Now, as Judge Moll says, you don't know if Carl Renda Company is paying Briggs or is getting it for some other reason?

THE WITNESS. I don't know.

By MR. MOLL:

Q. Let's assume that Renda got the scrap contract from Briggs on some kind of a competitive basis.—A. Yes.

Q. Such as you formerly got it. Then there isn't enough differential between what he, Renda, pays Briggs, and you pay Renda to make any great sizable profit for Renda, is there?—A. Yes, there is.

Q. How would that work out?—A. Why, especially—not so much in nonferrous, the amount isn't too much, but especially in steel, in ferrous metal.

Q. Yes.—A. For instance, the only thing I heard, he is getting \$2 a ton over what he pays to Briggs for steel.

Q. Yes.—A. Now, he hasn't any investment, somebody else services the Briggs account like I do on nonferrous.

MR. GARBER. Who services it?

THE WITNESS. The company used to be before him.

MR. GARBER. Who was that?

THE WITNESS. Woodmere Scrap Iron over on Fort Street.

THE COURT. He gets a take on ferrous of \$2 a ton?

THE WITNESS. A couple of dollars a ton on ferrous.

THE COURT. Keeps a set of books?

THE WITNESS. That's right.

THE COURT. Doesn't handle the material at all.

THE WITNESS. Doesn't handle the material at all. Now, ferrous, if he handles every month approximately 1,500 pounds a month, that is \$3,000 a month. Now, in my own business, as I said before, my business wouldn't amount to more than about—I don't know what he pays, but I am just guessing—he couldn't make more on nonferrous than, oh, three or four hundred a month. But it is still a good business.

THE COURT. Of course, when you bid on a salvage job, you have got to include your cost in collecting it, picking it up, trucking it, and your handling charge?

THE WITNESS. That's right.

THE COURT. Now, if he bids without that, he can save what you would spend in the collection and hauling?

THE WITNESS. That's right.

THE COURT. And that would run into a substantial amount of money?

THE WITNESS. Yes, it would.

THE COURT. Say, on a \$25,000 a month purchase, you buy \$25,000 of scrap from all the Briggs plants in a given month, what would your handling cost be, your collection and trucking and handling and storage account, what would it cost you?

THE WITNESS. On \$25,000 I would say about \$2,500—\$2,500 or \$3,000.

THE COURT. So when you bid for, say, a month's output of scrap in the amount of \$25,000 you are confronted with collection and handling charges of, say, \$3,000 to begin with?

THE WITNESS. That's right.

THE COURT. In order for you to make a profit, you have to sell it for some figure over \$28,000?

THE WITNESS. Over the original cost, overhead cost, labor cost.

By Mr. MOLL:

Q. Now, if Renda bid, then \$25,000 a month, and he was able to sell it to you or turn over the contract to you without any profit and merely broker that account he would be making a handing charge of \$3,000, wouldn't he?—A. That's correct. I think he's got a sweet contract, personally.

Q. So on a \$25,000 a month basis, even if he didn't make a dime on the sale of the scrap to you, he'd profit by—A. By the services.

Q. By the extent of the service charges?—A. That's right.

Q. Is that the way you figure it?—A. That's correct.

Q. That's why the price differential doesn't make a lot of difference, his price to Briggs as it goes to your price to him—A. That's right.

Q. He hasn't any cost.—A. By the same token, though, if I am bidding \$25,000 to Briggs, and he will bid \$25,000 to Briggs, and he gets the preference, they like him better than me, by the same taken if I am going to do business with Carl Renda, getting business off him, I can't go very much over \$25,000, if I have to put my trucks on.

Q. So if you pay Carl Renda \$25,000 for his \$25,000 contract and you do the collecting—A. That's right.

Q. Can he make any money on it?—A. No.

The COURT. In other words, if you pay \$25,000 to make any money he has to get it for less than \$25,000.

The WITNESS. That's right.

The COURT. All he has to do for that is obtain the contract and keep a set of books?

The WITNESS. That's right.

The COURT. Pay income tax?

The WITNESS. That's right. See, we buy from Carl Renda on the same basis as we bought from Briggs, so much a pound.

The COURT. You are doing business the same as you ever did, except instead of between you and Briggs, it's Carl Renda.

The WITNESS. That's right, a third party.

The COURT. He's right in there?

The WITNESS. That's right.

The COURT. Muscled right in?

The WITNESS. That's right.

The COURT. And apparently not in there for his health?

The WITNESS. Apparently not.

Mr. GARBER. And they are not an old-established scrap-iron company that took this contract away from you?

The WITNESS. No.

Mr. GARBER. You never heard of him?

The WITNESS. Nobody has heard of him.

Mr. GARBER. He didn't even have an office, no trucks?

The WITNESS. Nothing.

Mr. GARBER. Yet they were able to step in and take it away from someone who had the business 21 years?

The WITNESS. 21 years.

The COURT. Can you give us any further information at this point?

The WITNESS. No.

Mr. MOLL. Now, what we want is the low down on the low down.

The COURT. If anybody saw you come in here, that's that, but you don't talk, you don't tell anybody what you said, the extent of the inquiry, or what it is, because it is strictly confidential.

By Mr. MOLL:

Q. Now, Mr. Temchin, were you ever called in on a meeting between yourselves, Woodmere, Silverstine, and Briggs?—A. No.

Q. Or any such meeting of the salvage people?—A. No.

Q. Did you ever hear that any such meeting had taken place?—A. No, I never did.

Q. Did you ever know of a meeting between Woodmere and Silverstine?—A. No.

Q. And Briggs?—A. No.

Q. Or between Renda and Silverstine and Woodmere?—A. Renda and Woodmere, I have heard, but not Renda and Silverstine.

Q. What have you heard about the Renda-Woodmere meeting?—A. To discuss more or less the servicing of the account in the same that I was contacted.

Q. But you weren't in on that meeting?—A. No. The only time I talked to Woodmere—you see, Woodmere began servicing the steel account. Woodmere never lost any business. I was off approximately a month. Woodmere began handling the account immediately when Carl Renda stepped into the picture, so when I was finally contacted and went to ask Cleary what, in his opinion, I could do, and he told me if the thing I was going to do was make any money, he still would not think the less of me—he told me frankly, "I would rather have your company in than anybody else, because you know our plant, our set-up." So when I came back to the office, I wanted to find out more about these people. I called up Woodmere and had a meeting with him. He came over to my office. I wanted to know the set-up, but he gets along with the boys, Carl Renda Company. He was full of praise. He told me it's for my own good, and there will be less competition. He was well satisfied.

The COURT. He never did get out of the picture?

The WITNESS. He never did get out of the picture. See, we lost it to United Metals Company three weeks to a month, but he never did get out of the picture.

The COURT. He lost the contract with the company the same as you did?

The WITNESS. He lost the contract with the company the same as we did.

The COURT. But he moved in immediately, he continued to haul the stuff.

The WITNESS. He continued to haul with his own trucks; yes.

By Mr. MOLL:

Q. In other words, all the former salvage collectors have moved over, and between them and Briggs Manufacturing we have got Renda.—A. That is correct.

Q. In all the salvage picture.—A. That's right.

The COURT. That goes for waste paper, too?

The WITNESS. That goes for waste paper, too.

By Mr. MOLL:

Q. Now, in connection with these negotiations, were you ever threatened in any way by Renda, Martin, or Perronne?—A. No.

Q. Were you told what would happen if anything was said or done about the situation?—A. No.

Q. What?—A. No.

Q. Are you sure of that?—A. Positive. I was never threatened in any shape or manner. I feel free, the way I saw fit.

Q. How did Perronne happen to be out in front when you were talking with Renda?—A. Oh, he was sitting in the car. There was another fellow sitting in the car that I had never met. I don't know who he was. I have never seen him since.

Q. Was that when you were negotiating the deal?—A. When we were negotiating the deal. We sat in my office an hour or so, my dad and myself, Charlie Martin, and Carl Renda. We done all the business, talked—

Q. With them?—A. With them. Then when we walked out, I noticed the other people in the car. He said, "Meet my father-in-law."

Q. He didn't introduce you to the other man?—A. No.

The COURT. How long were they inside negotiating with you while the others sat in the car?

The WITNESS. Oh, I would say about an hour.

The COURT. Did they sit there very quietly?

The WITNESS. I don't remember. Coming back, I think Mr. Perrone came in the office after I met him. I think my dad called him in.

The COURT. Your dad knew him?

The WITNESS. No, he never knew him, but when he saw this fellow sitting in the car was a stranger—

The COURT. Your dad knew Martin's father?

The WITNESS. My dad knew Martin's father.

The COURT. What was Martin's father's business?

The WITNESS. He had a grocery store.

The COURT. Where?

The WITNESS. I don't know exactly where, but around Hastings Street in the old days. He's been dead 15 years.

The COURT. Who gets the Michigan Stove scrap?

The WITNESS. I understand Perrone.

The COURT. Who does he sell to?

The WITNESS. Kramerand Orloff.

The COURT. Where are they located?

The WITNESS. They are on Buffalo, I don't know the number on Buffalo, near Holbrook.

The COURT. How do they ship it, by rail?

The WITNESS. No, he picks it up in his own trucks. This fellow Perrone is in business for himself.

The COURT. In Detroit?

The WITNESS. Yes, Detroit.

The COURT. He picks it up himself?

The WITNESS. Yes, Perrone does.

The COURT. And brings it to this Buffalo plant?

The WITNESS. Yes.

The COURT. Does Perrone work for the stove company?

The WITNESS. No, he works for himself. He has three or four dump trucks.

The COURT. Do you know if any others of the Perrone family are working for the Stove Works?

The WITNESS. No, I don't know anybody else.

By Mr. MOLL:

Q. Going back to Briggs for a minute, what was your impression of Cleary?—A. Well, truthfully speaking, Cleary seemed to hide something, because I was pretty friendly with Cleary, I didn't see him every day, but I would see him once in two weeks, three weeks, just to say hello, and when I come out to ask him how come we lost the business, he was very vague, said it was dollars and cents. He took a pencil and said, "Suppose you bid 10 cents for an item and we can get 11 cents for the same item," he said, "You don't expect we could give you the business."

The COURT. The iron collar?

The WITNESS. Yes, sir, he seemed to be vague. He says to me, "You didn't leave the Briggs account because of your service. You have been doing business with us for about twenty-odd years." And he said, "If I should throw you out from handling our account, the reflection would be on myself because it took 20 years to show we were doing business with the wrong company. There's no reflection. It's a situation." What he called it—"It's a situation that has come up," he says, "and it's only for three months."

By Mr. MOLL:

Q. Let me interrupt you at that point. Did you ask Cleary at this point for an opportunity to match bids?—A. No, because the bids were closed.

Q. That wouldn't have been fair?—A. No, I didn't ask him at all.

Q. There was no discussion with him at all as to whether you could match the bid and continue on with the business?—A. No.

Q. What was your opinion of Cleary up to that time?—A. I thought he was a very decent fellow, and still think so.

Q. And you think he was a little embarrassed on this situation?—A. Because I pointed direct questions at him. Why? Because I merely told him that in the past—see, in the past, I would know prices that my competitors would bid after the bids were opened, and if there were thirty items, thirty classifications on the bid, and, say, I was only high on 14 or 15 items, where the edge was, I would always get the edge and even beyond the edge. I would still get the contract. It doesn't mean I was always high, and I know that. Of course, this was told to me by Mr. Herbert after the opening of the contract. So I told him we appreciated the business over the years. It did happen we didn't have Briggs for twenty years always. It happened some fellow very hungry for business would get it temporarily. We had one fellow, I think in 1927, who was an old-established business in the city, and he went in and bid about twice as much as it was worth. We let him have it for three months, and he only had it two weeks. After he had it two weeks he took a couple of hundred dollars licking and just quit.

The COURT. Do Harry and Sam Frank handle scrap?

The WITNESS. Yes, sir; they do. I know Sam well.

The COURT. They were never in the Briggs?

The WITNESS. No; they used to bid. A long time ago they did on Briggs. Sam used to bid on Briggs, but he hadn't the last seven or eight years.

By Mr. MOLL:

Q. Now, where does Silverstine fit in this picture?—A. Silverstine used to work for Briggs away back about 20 years ago. He was superintendent of all the

plants, and, as I understand, he quit his position at Briggs for one reason or another and went in business for himself.

Q. What is his business?—A. His business is mostly machinery business, used machinery, but he kind of switches. He handles all kinds of salvage, but not scrap. In other words, he buys second-hand material to sell, so he's been at Briggs quite a number of years.

Q. Has Renda Company anything to do with that type of second-hand machinery?—A. No. It's about the only item they don't handle. They wouldn't know what to do with it.

Mr. GARBER. Do you know whether Silverstine lose out on some of his dealings with Briggs to Renda Company, too?

The WITNESS. Very little.

Mr. GARBER. What's these hydraulic bales of metal they have over there?

The WITNESS. Oh, that's the metal—it's steel, oh, steel from stampings, hydraulically baled, what they call a compressed bundle, and Nate Silverstine, who is a broker direct to the mill, has a broker's license for Great Lakes Steel, the metal used to go through Nate Silverstine, and he would get his brokerage fee from that.

Mr. GARBER. 50 cents.

The WITNESS. 50 cents is right, and that is a good contract, too, in itself, because they have—when they are going full blast, they would have 8 or 10 earloads a day of compressed bundles.

Mr. GARBER. Did he lose that to the Renda Company?

The WITNESS. No; he didn't lose it to the Renda Company. He lost it direct to the steel mills, because today, the question of steel being what it is, Briggs began negotiating with all the mills in the country to get as much steel as they can from the mills, and the mills asked them to ship the bundles to them direct. Not that Carl Renda didn't want it, he wanted that kind of business, but because when he got it, Briggs was already shipping steel direct, it was not available, so as it stands up to this very day, these hydraulically compressed bundles go direct to the mills.

Mr. GARBER. That's where Renda Company doesn't get any part of it?

The WITNESS. Renda Company doesn't get any part of it, as far as I know.

Mr. GARBER. Could they be brokering it, the same as Silverstein did?

The WITNESS. Well, they would have to get a broker's license first.

Mr. GARBER. Do you know whether they have a license?

The WITNESS. No; they haven't.

The COURT. But on those scrap bales Silverstine still gets the brokerage?

The WITNESS. No.

The COURT. It goes direct?

The WITNESS. It goes direct.

The COURT. So Silverstine is reduced to second-hand machinery?

The WITNESS. Well, more or less so.

The COURT. I mean as far as Briggs are concerned?

The WITNESS. Yes.

The COURT. He doesn't handle scrap?

The WITNESS. No; he don't handle scrap. The only scrap he gets is what he buys for used, and can't sell it, so he scraps it, so we service him, too.

By Mr. MOLL:

Q. You know nothing of any meetings held between Renda and Perrone, any others in connection with the removal of scrap from Briggs?—A. No; I don't.

Q. You didn't attend any?—A. No.

Q. The only time you ever discussed with Renda, Martin, and Perrone together was this one occasion at your office?—A. The only time Perrone was there, and the other times I had meetings with the boys was at different times when the contract came up. I think we got three contracts in all for different periods.

Q. But you were never in on any other conference with Perrone?—A. No.

Q. He never threatened you in any way?—A. No; not in any way at all.

Q. Your business dealings with them have been satisfactory?—A. Yes.

Q. But they are in between you and it looks as if they are there to stay?—A. It looks that way.

Q. Now, outside the Briggs account and the Michigan Stove account, do you know of any other accounts they have?—A. No; but—I don't know of any other accounts they have, but he has been buying material now that he is in the business, more or less, he's been bidding on material at different places, and he would call me up now and then, ask me a price or something that he's bidding on this plant outside Briggs.



Q. But there hasn't anything showed up?—A. As far as I know there hasn't been anything show up. He was successful once or twice. Naturally we do business with the man. I try to be as fair with the man. He calls me for a price on a thing. I will play ball with him 100 percent so he was successful in getting a couple of items.

The COURT. Do you know if Renda Company tried to get business from other big motor companies the same as they are at the Briggs?

The WITNESS. I couldn't tell you that, if he was negotiating with anybody else. I couldn't tell you.

By Mr. MOLL:

Q. Did you have any advance notice that Renda was going to muscle into this situation?—A. No, no advance notice.

Q. Anything in advance of March 1945?—A. No.

Q. You had known Renda before?—A. Had I known Renda before?

Q. Had you?—A. No.

Q. Only Martin?—A. Only Martin, yes.

Q. You never had known Perrone?—A. No.

Q. Has your father known Perrone?—A. No, he never did.

The COURT. Is your father still living?

The WITNESS. Yes, he is.

By Mr. MOLL:

Q. Was there any talk in the trade that this outfit was going to come in?—A. Oh, no.

Q. Did they approach you in any way around bidding time, March of 1945?—A. No.

Q. Were you told to lay off?—A. No.

Q. By Martin, Renda, Perrone or any of that crowd?—A. The first notice I had, Mr. Herbert called me one day and said he had some very bad news for me, we hadn't got the contract. I said, "Who got the contract?" He said, "Carl Renda Company." I said, "I never heard of them." He said, "These were instructions." See, Mr. Cleary was the one to okay the contract.

Q. But then you got busy yourself and did a little investigating?—A. That's right.

Q. And you didn't like what you found out?—A. Not very much, no.

Q. And you told Herbert, in effect, as you have testified, that there was nothing he could do about it.—A. I told him that, not at that time, though. I must have told him that six months after Carl Renda stepped in the picture.

Q. You had concluded they were in to stay and couldn't be moved out?—A. I concluded only by the beginning of this year, 1946, where, as I told you, where they showed me a piece of that contract. See, up to 1946, they never had anything in writing from Briggs Manufacturing, so far as I know, but in 1946, January, they got their contract with Briggs, an indefinite period.

The COURT. Was that before Herbert was discharged they got their contract?

The WITNESS. No, that was after Herbert was discharged.

The COURT. He was discharged on the 7th?

The WITNESS. January 7th.

The COURT. And you saw the contract or heard about it when?

The WITNESS. Well, around the end of the month.

By Mr. MOLL:

Q. Well, I gather from what you have said, there are a few things you feel are better unsaid than said here. Now, you have told us pretty much of the story, but aren't there just a few things you are soft-pedaling a little bit?—A. No, I can't say I do. I like to be frank with you, Judge.

Q. Well, I think you have gone along very well, but I would like to know just a little more about your investigation of the Renda Company and Perrone, and what you found out they were in there for?—A. Well, I think I told you everything that I could, mostly opinions by other people. I kept asking anyone who knew anything about it, what his opinion was, and I got the reaction of different opinions, but it all boiled down to the same thing, which is labor, so I was frank with you in telling that this man Perrone, I wouldn't have done business with. It is just my first reaction when I met the man. Carl Renda, on the other hand, I found out he is a very nice fellow. That's about all it is. Up to this very minute, I haven't any definite information that I can absolutely swear to it,

I know anything definite why he is in there, but it's logical in my mind, all these opinions boil down to the same thing.

Q. You are pretty well sold on the fact John Fry sold this company this bill of goods?—A. Yes, I am.

Q. Or helped pave the way for Renda Company.—A. Yes.

Q. Have you any more positive information?—A. No positive information, except it's one of those things that was the missing link, as I said before, of who was the salesman to sell the idea to Briggs Manufacturing, because I knew Carl Renda, not experienced in business up to this day, a nice kid, but no experience, his father-in-law that I met couldn't even talk English good, and Charlie Martin, who more or less represented him as his attorney, I don't think that Charlie Martin can go ahead and sell Briggs, Walter Briggs, an idea of that nature.

Q. It would have to be a very practical proposition to sell those hard-headed boys on, wouldn't it?—A. Yes.

Q. Nobody could come in with a cock and bull story?—A. That's right.

Q. They would have to have a pretty fair set of samples?—A. That's right.

Q. You think their sample is what happened out at Michigan Stove?—A. That's right.

Q. Plus their family membership list?—A. I understand he was in there since 1937 at Michigan Stove, getting the scrap, and since 1937 Michigan Stove never had any labor trouble, any strikes.

Q. Well, now, what is this Perrone-Renda hook-up? Who does it include?—A. How is that now?

Q. Who does it include? Who is in their goon squad?—A. I couldn't tell you.

Q. What are some of the names you think might be mixed up in it?—A. Outside Carl Renda, Perrone, Charlie Martin, and this one other man I saw sitting in the car, which I never met, I don't know his name, I never knew any other.

Q. That's only four of them against 40,000?—A. That's right.

Q. What do you think their hook-up is?—A. It would still be only an opinion.

Q. Judge Murphy could lick the four of them himself with one hand tied behind his back.—A. Well, Judge, it's only an opinion of mine.

Q. That's what we want.—A. Naturally, I am inclined to agree with you, there must be a strong clique.

Q. How far does the mob go, and who are some people it takes in?—A. There must be a mob, maybe managed by Perrone. I can't associate Carl Renda because he just got in the family, I think.

Q. Let's assume Renda is the front man?—A. That's right.

Q. And probably Martin and, let's say, Perrone is, oh, the directing head.

The COURT. You mean *chargé d'affaires*?

Mr. MOLL. Yes.

By Mr. MOLL:

Q. Who would be some of the executioners on the job?—A. Well, they would have to have a pretty good gang to keep the boys in line.

The COURT. Have you got some names you heard in your wanderings?

The WITNESS. No, I never heard any names, I never even inquired on that. I never inquired who might be the gang.

The COURT. Where does Martin live?

The WITNESS. He lives on Gladstone in an apartment. He just got married, by the way, a few months back. As I understand he used to live with his mother. He got married a few months back, because I called him at his house on some business. He's over in an apartment, but his office is in the Telephone Exchange Building. I believe it's 6300 Cass Avenue, right across from the General Motors. It's Cass and Baltimore, right on the corner.

The COURT. And they have this scrap yard?

The WITNESS. They have this scrap yard on Bellevue.

The COURT. Near what cross street?

The WITNESS. It would be about two blocks south of Vernor Highway. It's about 1135, I think.

Mr. GARBER. Do you know Fay Taylor over there at Briggs?

The WITNESS. No, I just heard of him.

Mr. GARBER. What did you ever hear about him? What does he do?

The WITNESS. You mean Taylor? You mean Taylor, who used to be president?

Mr. GARBER. No, Fay Taylor, he's in charge of personnel over at Briggs.

The WITNESS. Oh, no, I haven't heard much about him. I know he's in there.

By Mr. MOLL:

Q. He's kind of a tough boy?—A. Taylor?

Q. Yes.—A. I don't know him.

Q. What is his reputation?—A. I don't know.

Q. You never heard any names mentioned as being part of this Perrone outfit?—A. No, I never heard it mentioned. I never asked.

Mr. GARBER. Would you recognize that one fellow that was in the car with Perrone at the time out there, by a picture, if you saw it?

The WITNESS. I might—a heavy set fellow.

Mr. GARBER. Get those pictures.

Mr. MOLL. Well, I think I will leave you for a minute.

Mr. GARBER. I don't think there's very much more. We will have him look at those pictures.

(Discussion off the record.)

(Witness excused.)

2:35 p. m.

SAMUEL LEVINE being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name, please?—A. Samuel Levine, L-e-v-i-n-e.

Q. Where do you live, Mr. Levine?—A. I live at 18429 San Juan.

The COURT. Mr. Levine, the man examining you is Assistant Prosecutor Mr. Garber, the man next to him is Mr. Watson, special assistant attorney general, and next to him, Judge Moll, special assistant attorney general.

The WITNESS. I live both at Detroit and Kalamazoo. I spend part of my time at the Kalamazoo plant and part of it here, see.

The COURT. What is your business?

The WITNESS. In Detroit, we are in the waste paper business, and I have—out of Kalamazoo, I purchased the old Roamer Motor Car plant there, and we have an industrial operation there, where we have a grader plant and also intrastate truck operation for paper and paper products for all parts of the State of Michigan.

By Mr. GARBER:

Q. Your company is composed of who?—A. Real estate owned by Real Land Company, consisting of two brothers, a sister, and myself; the trucking company, a corporation consisting of the same parties, and the waste paper business also the same parties.

The COURT. The waste paper company is also a corporation?

The WITNESS. That's right.

The COURT. Known as—

The WITNESS. Levine Waste Paper Company.

The COURT. You don't manufacture?

The WITNESS. No, we don't manufacture paper. From Kalamazoo our operation is nation-wide. We handle a tremendous tonnage from the west coast.

The COURT. How long have you been in the paper business?

The WITNESS. Oh, for 55 years. My grandfather did business with some of the mill men in the Connecticut Valley.

(Discussion off the record.)

Mr. MOLL. Did you get the name of Mr. Levine's truck company?

The WITNESS. Paper Mills Trucking Company.

The COURT. A Michigan corporation?

The WITNESS. Yes, sir.

By Mr. GARBER:

Q. And the manufacturing company?—A. It isn't manufacturing, it's a grading and packing plant, processing. By that, I mean we purchase material and a great deal of it is graded to specific classifications to be used, to be consumed, by the mills in the place of pulp as a necessary raw material that we must have.

Q. What is the name of it?—A. The raw materials?

Q. The grading concern.—A. Levine Waste Paper Company.

Q. Still the Levine Waste Paper Company?—A. Yes.

The COURT. Is the trucking company operated under the same name.

The WITNESS. No; a separate company.

The COURT. And a special place of business in Detroit or Kalamazoo?

The WITNESS. The trucking company office is at Kalamazoo. That's under my management there.

The COURT. You are a resident of Kalamazoo?

The WITNESS. I am a resident of Kalamazoo as well as Detroit. I recently moved to Detroit.

The COURT. Where?

The WITNESS. Moved to Detroit last December, after living in Kalamazoo for 6 years.

By Mr. GARBER:

Q. Now, from whom do you acquire this waste paper?—A. From all forces. We purchase from dealers, brokers, industrial plants, from all sources.

Q. Do you purchase from the Briggs Manufacturing Company?—A. We used to at one time. That's a while back.

Q. When did you cease purchasing from the Briggs Manufacturing Company?—A. Well, if I am not mistaken, we ceased just about a year ago, a little over a year ago.

Q. That would be approximately April 1, 1945?—A. It may be approximately. You see, this Briggs Manufacturing Company was a Detroit account, and the records in the Detroit office would show when we discontinued doing business.

Q. Do you know why you discontinued doing business with the Briggs?—A. Well, as a matter of fact, when I would come into Detroit periodically I would question about the various accounts, and the source of the accumulation, because we have a commitment to the mills, and we have very much interest in the Detroit market. I was told by Miss Levine, my sister, who has charge of the Detroit office, about the discontinuance of the Briggs Manufacturing giving me their business.

Q. Why was that?—A. I went there and saw the director of purchases at that time. I just don't quite recollect his name.

Q. Mr. Cleary?—A. Yes, Mr. Cleary. I believe he is dead now. If I am not mistaken, he died just recently, and Mr. Cleary told me that it was taken out of his hands; it was handled through some individual, some arrangement; and my sole purpose, prime purpose of going there, checking up, was to make sure there wasn't anything; that the relationship between the Briggs Manufacturing and our company was—

The COURT. Pleasant?

The WITNESS. Pleasant, and if they decided to make some other arrangement, that was perfectly all right with me.

By Mr. GARBER:

Q. What was that conversation you had with Mr. Cleary, as best you can remember?—A. Well, it's a while back. See, I was referred to Mr. Cleary by a Mr. George Herbert, who had charge of the salvage for some time there.

Q. How long have you known Mr. Herbert?—A. A good many years. There's a gentleman who was Mr. Herbert's boss a good many years ago—let's see, I am trying to think back, his name, the man who had charge of the salvage prior to Herbert. He is also dead now.

Mr. MOLL. Well, that is really not important.

The WITNESS. Then George Herbert handled it.

By Mr. GARBER:

Q. How long have you had this contract with Briggs Manufacturing to pick up their paper?—A. On and off, I think we had it for some time.

Q. How long is that?—A. A period of many years, say, 12 or 15 years, maybe longer.

Mr. MOLL. On a competitive, closed-bid basis?

The WITNESS. On a competitive, closed-bid basis. There were times when we couldn't meet the conditions, would lose out on it; and times, when our price was not right, we would miss it.

Mr. MOLL. You were bidding quarterly?

The WITNESS. No; the bids was usually monthly. Of course, since the time when the OPA Regulations were in effect, there was fluctuations in prices. We were told what we could and what we could not get in stock. It was just a question whether the company wanted to give us a preference some months over others. I believe there was a period there, due to some reciprocal arrangement, where paperboard was very, very scarce, and they were going to make some

shipments to us. It was perfectly all right with us until they could get some customers or something.

By Mr. GARDNER:

Q. Did you bid each month for that?—A. We did.

Q. Subsequent to the termination of your contract, did you ever make bids for their paper?—A. No; I don't believe we did.

Q. Have they advertised for bids?—A. No; we haven't had an opportunity to quote.

Q. Do you know why?—A. I haven't even gone into that. As a matter of fact, my time has been limited in Detroit, and I have taken the time to follow it through, because our relations with the company itself were satisfactory; and I felt, if anything should come up at any time where they wanted to make a change, we would get another opportunity of quoting on their business.

Q. But you haven't had an opportunity to quote since.—A. No.

Q. Do you know what company took over their business?—A. I was told some individual had taken over the handling of the salvage of the company; but, as to meeting the individual in person, going into detail, I haven't done that.

Q. Did you ever meet the individual before that?—A. Not prior to that.

Q. Not prior to that?—A. Not prior to that.

Q. It was a new name in the waste-paper business?—A. That's right. It was new to me anyway.

Q. Let's go back to your conversation between Mr. Cleary and yourself. Give us your best recollection of what was said.—A. Well, I introduced myself to Mr. Cleary, and I did know Mr. Cleary for some years back. Being away from the city for some time, I didn't have an opportunity of contacting the trade as I used to years ago, and I told Mr. Cleary the facts, and where we were doing business, and you see, where there's a sudden termination of business for no price reason, no reason for lack of service, I wanted to know just why, and Mr. Cleary told me at that time it was just one of those things; that it was taken out of his hands.

Q. Did he say by whom?—A. No; he didn't tell me by whom, and he said that, as far as the Briggs Manufacturing Company and our concern is concerned, they were satisfied with the service and the manner in which we handled the account.

Q. Did he indicate any reason why it had been taken out of his hands?—A. No; he didn't.

Q. Did you suspect any reason?—A. I may probably suspect, but I felt, as our relationship was pleasant, something would come up where it would come back to us; as long as the door is left open, and our conduct is such where we can merit consideration from the company, it may happen—I have seen it from time to time where a certain personnel manager gets in, purchasing agents may favor somebody else, but as long as we merit consideration from that company for whom the man is working for, sooner or later we will be bound to get back in, because things will change.

Q. Do you know who received the contract?—A. This is hearsay, I heard Monroe Waste Paper Company received the contract.

Q. Did you ever hear of Carl Renda?—A. That was the name of the individual, Renda.

Q. That contract was turned over to Monroe Waste Paper?—A. Yes.

Q. Renda received the contract and—A. Monroe received the waste paper. What arrangement they had, I am not familiar with it.

Mr. MOLL. Who is in Monroe Waste Paper?

The WITNESS. From what I understand, Monroe Waste Paper formerly used to be Isaac Greer, a fellow named Sweet and Jack Lieberman, and some months ago I understand Lieberman purchased the interest from Sweet and Greer, and he is the sole owner at the present time.

Mr. MOLL. What's Groesbeck's company in Monroe?

The WITNESS. That's Monroe Paper Products Company. That's the one Charlie Raney is managing there.

Mr. MOLL. It has no connection with Monroe Waste Paper?

The WITNESS. No; this has no connection whatsoever. The Monroe Paper Products is a board mill, binder board mill, of course; they make some fiber, similar to corrugated. Monroe Waste Paper are a waste-paper company exclusively, I understand.

Mr. MOLL. Do you know who actually got the contract for the waste-paper salvage from Briggs?

The WITNESS. Truthfully I haven't followed it through.

The COURT. What is your best information?

The WITNESS. Well, I had a man in my employ by the name of Jack Rubin, who was soliciting and handling that account for many years, and the past few months he was taken ill and is now residing at Phoenix, Ariz. He was the contact man at Briggs.

By Mr. GARBER:

Q. What did he tell you about it?—A. That's the information I got. All salvage was being handled by Briggs Manufacturing through this—

Q. Renda?—A. Renda, and anyone who wants to purchase any will have to purchase it through this individual instead of through the company.

Mr. MOLL. Did he tell you who Renda's associates were?

The WITNESS. No; I had no other information. It's one of those things; you drop an account here and pick up another there. Outside going beyond a certain line, we are attempting to get business.

The COURT. What was your monthly business on that?

The WITNESS. Offhand, I don't think the volume was too great. Truthfully, I am not too familiar with the volume of that account. That was handled through the Detroit office.

The COURT. Approximately, what was your business?

The WITNESS. Oh, I presume it may average around 50 to 100 tons a month.

By Mr. GARBER:

Q. And what would be the monetary consideration?—A. What would be the monetary consideration? Craft papers—the price on craft, the ceiling price was \$50 per ton. The price on mixed weights is \$19 per ton, and the ceiling price on corrugated is \$15 per ton; that is, f. o. b. point of shipment; that is, f. o. b. their plant. I don't know the proportion of craft, corrugated, and factory waste they had.

Q. Could you give us the amount of money you paid Briggs for their account?—A. It's just a guess. I could give it exactly off the record. I would prefer to do that.

Q. Who has the record?—A. The Detroit office has the record. They can just check the Briggs account and check the tonnage.

Q. Are they in town? I understand the officer attempted to subpoena some others and was only able to get hold of you. Are the rest in Florida or some place?—A. No; they're all here.

Mr. MOLL. Let Mr. Levine give us the approximate figure.

The WITNESS. I can give you the approximate on that. If you want that information, I can get it for you.

By Mr. GARBER:

Q. All right.—A. Oh, it will be from fifteen hundred to two thousand a month worth of business.

Q. Paper was more or less at a premium the first part and middle of 1945?—A. That's right. Paper has been very, very critical.

Q. You were anxious to continue your contract with Briggs if possible?—A. Yes, sir. Of course, the people we are supplying with material were really at a critical stage as far as raw material is concerned, and we would have liked very much to have continued. As a matter of fact, we purchased a tremendous tonnage from the south—Texas, Mexico, Louisiana, Oklahoma, California—miscellaneous cars and so on, because we couldn't get the tonnage around here.

Q. Do you know why Mr. George Herbert left the employ of the Briggs?—A. No; I don't.

Q. Did you hear any rumors as to why that was?—A. No; I didn't. I really can't tell any reason because I had no discussion.

Mr. MOLL. Did you talk to Mr. Herbert?

The WITNESS. I spoke to Herbert only once, the first time I seen him in some time, and that was when I went to see Mr. Cleary.

Mr. MOLL. What did Herbert have to say on that occasion?

The WITNESS. At that time I went to see George Herbert, because he was the one that handled the material for some time. I like to go to the man in charge. He was the one we always gave our prices to. He would bring the prices to our office, give us an okay, give us a contract, but George Herbert told us it was taken out of his hands, and if I wanted any further information I would have to go upstairs and see Mr. Cleary.

By Mr. GARBER:

Q. Mr. Cleary told you it was also taken out of his hands?—A. Well, yes; that's true.

Mr. MOLL. Didn't Herbert indicate to you what the situation was, who got the contract?

The WITNESS. Yes; he did. As a matter of fact, he mentioned the party's name, and he did intimate that it wasn't a question of price. It was a question, I understand, of something being taken out of his hands. All salvage or scrap was turned over to him. It wasn't only paper scrap; it was other materials as well; and, of course, as long as I wasn't singled out as being out of the picture, I didn't mind it, because I felt the others that were handling the accounts were just as much interested, and some day the situation would come to a head and those that had been servicing the account for some time would get the proper consideration.

By Mr. GABER:

Q. Didn't you make any investigation as to why a new company could come in and take over all the salvage?—A. No; I did not. I really should have, but I didn't have the time to spend to make that investigation here in Detroit.

Q. Did you ever meet Mr. Renda?—A. No; I wouldn't know the man to see him.

Q. You knew Charles Martin?—A. Yes.

Q. Charles Martin's real name was Margolis?—A. As a matter of fact, I knew his dad many years ago, and originally, 25 years ago or so, his dad had a grocery store over on St. Antoine, and he was just a youngster at that time, and then his dad purchased a place of business over on Greeley Street, just off Holbrook, put up a building there, I would say 25 years ago. His dad had been dead for many years.

Q. What is Charles Martin's business?—A. I understand Charles Martin has been handling some salvage, doing some brokerage.

Q. Does he have a license as a broker?—A. I don't know. I have never seen his place of business and never did any business with him?

Q. Is he a lawyer?—A. Pardon?

Q. Is he a lawyer?—A. I don't know whether he is qualified to practice law or not.

Q. Did he go to law school?—A. I couldn't tell you. I understand he was in the service for a while, and when he came out, went into the business again.

Mr. MOLL. Is he hooked up with Renda?

The WITNESS. I couldn't tell you.

Mr. MOLL. Did you ever hear he was?

The WITNESS. I heard something, he was handling some of the business for Renda, a conversation sometime, but I really didn't pay any attention to it.

Mr. MOLL. Do you know any of Renda's other associates?

The WITNESS. No, I don't.

Mr. MOLL. Do you know Renda personally?

The WITNESS. No, I have never seen him. I don't know the man. Being away from Detroit six years, I probably would come to Detroit, until the time I moved here, maybe once every four or five months, or once every three months, and then just for a day or two. We developed quite a business there, have an extensive organization in Kalamazoo, and it really kept me busy there.

Mr. MOLL. Do I understand you get none of the Briggs salvage now?

The WITNESS. No.

Mr. MOLL. From any source?

The WITNESS. No. We haven't handled anything since that time, since the time when he has taken over.

Mr. MOLL. Have you ever been approached by the Renda outfit to repurchase?

The WITNESS. I haven't.

Mr. MOLL. Has your company?

The WITNESS. That's something I can't tell you, and I will have to ask my associates and see whether they have or not.

Mr. MOLL. Will you do that?

The WITNESS. I will be happy to.

Mr. MOLL. Find out if your company has been approached by Renda or Martin or any of their associates?

The WITNESS. I will be very happy to check into this.

Mr. GABER. Also the exact date of the termination of this contract.

The WITNESS. I will make some notes. I am not as familiar with this local situation as I should be. Having been away from it for awhile, it may take me longer to find out. I will also give you the tonnage and volume in dollars and cents and the time of the termination of that business. I would be happy to give

it to you right from the records, which would correspond with the Briggs Manufacturing records.

Mr. MOLL. And in particular whether Martin, Renda, or any of their associates ever approached your company with a proposal to purchase Briggs salvage, or that from any other concern through the Renda Company.

The WITNESS. I would be happy to get that information for you and see that you get it.

Mr. MOLL. Now, off the record.

(Discussion off the record.)

Mr. MOLL. Is there anything further, Ralph?

Mr. GARBER. No, I think that will be all, if he furnishes us with this information.

The WITNESS. I really am very sorry I am not as familiar with the local situation as I should be, and considering my position in the business, probably I should know what everybody is doing and about every account, but if there is any information you want, I will submit it to you.

The COURT. If we want anything further, we will call on you.

(Witness excused.)

3:30 p. m.

SHIRLEY RUTTER, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name, please?—A. Shirley Rutter.

Q. Where do you live, please?—A. 11858 Laing.

Q. By whom are you employed?—A. Now?

Q. Yes.—A. Silverstine.

Q. How long have you been employed by Mr. Silverstine?—A. Gee, I don't know. It's around January, about the 21st, somewhere around there. I don't know the exact date.

Q. This year?—A. Yes.

Q. Previous to that time, who were you employed by?—A. Briggs.

Q. For whom did you work directly?—A. Mr. Herbert.

Q. Mr. George Herbert?—A. Yes.

Q. What was Mr. George Herbert's position with Briggs?—A. Supervisor of salvage.

Q. And how long were you employed by Briggs? Were you secretary to Mr. Herbert?—A. Well, I guess you would call it that.

Q. All right. How long were you employed as secretary to Mr. Herbert?—A. Gee, I don't know.

Q. Not the exact dates, but two years, three years?—A. About three years.

Q. About three years, and as secretary, did you have charge of certain contracts, or did you have knowledge of certain contracts that were let as to the salvage of the Briggs Manufacturing Company?—A. Yes.

Q. And you were acquainted with those contracts, were you? Did you draft them?—A. Well, yes and no.

Q. All right, what knowledge did you have?

Mr. MOLL. What do you mean by "yes" and "no"? What does that mean?

The WITNESS. The only thing I did was type them.

Mr. GARBER. That's what I mean, did you draft them?

Mr. MOLL. At whose dictation?

The WITNESS. Mr. Herbert's.

Mr. MOLL. In all cases?

The WITNESS. Well, he was my boss. I did what he told me.

Mr. MOLL. Well, there's nothing wrong with that; is there?

The WITNESS. No.

Mr. MOLL. He would dictate the contents of these contracts and you would write them up; is that right?

The COURT. You will have to speak for the record.

The WITNESS. Just what do you mean by "contract"? I will put it that way.

Mr. MOLL. Contracts for salvage disposed of by Briggs Manufacturing Company.

The COURT. The agreement in writing between Briggs and buyers of the salvage that you received the dictation of, wrote it up, we are talking about that as a contract.

The WITNESS. I tell you, the only thing I did was to write the letters for the bids. We received the letters in, I typed them on a sheet of paper, what the



prices were, gave them to Mr. Herbert, and from there I don't know where they went.

By Mr. GARBER :

Q. Well, after the highest bidder had been determined, was there a contract drawn that you typed, I mean, the highest bidder?—A. Well, not really a contract, I don't think you would call it. All I did was acknowledge the letters. If the highest bidder got it, answer the letter that he got the business.

The COURT. At a price?

The WITNESS. At prices he gave us. We just answered them back.

By Mr. GARBER :

Q. How often did you send out these letters notifying people bids were to be received on salvage?—A. Usually every three months—three or four months.

Q. Did you send out one once a month on paper?—A. Yes, paper was once a month.

Q. But on metals, ferrous and nonferrous, that was about every three months?—A. Every three months.

Q. And approximately how many bids did you receive?—A. It would depend what the material was.

Q. Your best judgment, about how many did you receive?—A. I would say five or six.

Q. Five or six on the ferrous metals?—A. Sometimes in the paper only two; sometimes nonferrous was usually about five or six.

Q. Now, was there any change in this procedure on or about March 1945?—A. Well, I don't know how to answer that.

Q. Well, did anyone new come into the picture?—A. Yes.

Q. And who came in at that time?—A. Carl Renda.

Q. Carl Renda, and had you ever seen Carl Renda before?—A. Before? No.

Q. Had you ever received any bids from Carl Renda?—A. No.

Q. In the two and a half years about that you had been there?—A. No, I never heard of him.

Q. So he was a new bidder; is that right?—A. Yes.

Q. Did he win any of the bids or was he awarded any of the bids?—A. Yes, he was.

Q. What bids was he awarded about March of last year?—A. Well, I think it was the nonferrous, and I believe the ferrous, and I believe the paper.

Q. So that a new man came in at that time and he received the contracts on the ferrous, nonferrous, and the waste paper, is that right?—A. Yes.

Q. Was that the majority of the salvage of the Briggs Manufacturing Company?—A. Yes. The only other thing we had was aluminum, but I can't remember whether he bid on that or not.

Q. But you are certain he did get the contract for the nonferrous, the ferrous, and the waste paper?—A. Yes, I am sure of that.

Q. Whether he received the aluminum or not, you are not certain?—A. I am not quite sure of that.

Mr. MOLL. Pardon me just a minute.

Examination by Mr. MOLL :

Q. Was that because he was low bidder in those three branches?—A. Low bidder?

Q. High bidder, I should say.—A. Some cases he wasn't.

Q. You were experienced in handling these bids; weren't you?

You sent them out and received them back; right?—A. Right.

Q. Then you would prepare a summary of them for Herbert; right?—A. Right.

Q. Did you send bids to Renda at this time we are talking about, a request for bids?—A. You mean in March or April?

Q. Yes, did you notify him to submit bids?—A. No, I don't believe we did.

Q. Did you notify the other bidders to submit bids?—A. Yes.

Q. But you did not notify Renda?—A. I am not sure.

Q. Well, what is your best recollection?—A. Well, I don't know.

Q. Now, you are under oath and we are not monkeying here, and we want to know what you know. This is your opportunity to tell us. Did you write either Renda or Martin to submit bids on this salvage?—A. After I was notified by Mr. Herbert.

Q. When?—A. Well, the first I know of is about the 1st of April, Mr. Herbert came to me and asked me to make out sheets Renda was going to take the material, but whether I sent out letters before that, I don't remember.

Q. But you think not?—A. No.

Q. You never heard of Martin and Renda before Herbert spoke to you? A. No. You didn't write any letters to submit bids?—A. No.

Q. That is your answer. That is the truth?—A. Yes.

Q. You remember definitely you never wrote them asking them to submit bids?—A. No.

Q. You never heard of either one of them, did you, until Herbert told you they were to have the salvage contracts?—A. That's right.

Q. On ferrous, nonferrous, and waste-paper salvage?—A. Right.

Q. Then, did you make up a memorandum to that effect, price and so forth?—A. Yes. I always made it out, the bids and the prices.

Q. I beg your pardon?—A. I made out the price sheet, what we call it, and gave it to Mr. Herbert with all the other prices on.

Q. In whose name did you make it out?—A. Well, it would be Mr. Herbert.

Q. And who did you indicate as the high bidder, Carl Renda and Company?—A. Well, he got the business. I imagine I did.

Q. Well, you are telling us. Herbert told you to make up this memorandum or document, whatever it is, indicating they were the high bidder, right?—A. No. He made up this sheet. He give me the letters with the prices on it, and I made up this sheet, signed with his name, and gave it to him. From there on he marked who was high bidder, who got the material. I was notified by him who got the material.

Q. Had you ever seen any bids from Renda or Martin up to that time?—A. Up to that time; no.

Q. When did you first meet Renda or Martin?—A. Well, it was about February or March 1945.

Q. That is, before you sent your letters out requesting bids?—A. Yes.

Q. During the first quarter of 1945?—A. That's right.

Q. You met them in the office?—A. Yes.

Q. Is that right?—A. That's right.

Q. But you received no bids from them that you know anything about?—A. No.

Q. All right. Now, what happened when you met them at the office?—A. Well, nothing. They just came in the office, as far as I was concerned, they didn't say anything. In fact, I wasn't introduced to them. After they left, I was told who they were.

Q. What did they talk about?—A. Well, I don't know.

Q. Did you hear their conversation?—A. No.

Q. Who did they talk to?—A. Well, they usually talked to Mr. Herbert.

Q. We are talking about the first time. Not who they usually talked to—the first time.

The COURT. The first time you saw them in the office, who did they talk to?

The WITNESS. Mr. Herbert.

By Mr. MOLL:

Q. And they were in several times after that?—A. Yes; they used to come in.

Q. Would they come in together?—A. Sometimes, but sometimes not.

Q. Did they ever have anybody else with them?—A. Not that I can remember.

Q. Do you remember any third person or others that came along with them?—A. No.

Q. How long did they have the contract for salvage after Mr. Herbert notified you they were the high bidders.—A. How long after that?

Q. Yes.—A. Well, up until the time that I left there.

Q. All the rest of 1945?—A. All the rest of 1945.

Q. On all types of salvage?—A. That's right.

Q. They continued to get the business?—A. Well, on most materials. Some materials they didn't, of course, but as far as the three classifications they did, yes.

Q. Did they ever submit any bids during 1945 that you know anything about?—A. Well, after, it would be the second quarter, I guess it would be in about June or July, we sent them letters right.

Q. Did they thereafter submit bids?—A. Yes.

Q. And were they always the high bidder?—A. No.

Q. Were they the lowest bidder?—A. Sometimes, sometimes not; sometimes on some items they were high, then again they weren't.

Q. Were their bids considered along with the other bids received?—A. Yes.

Q. Who considered them?—A. That I don't know.

Q. Well, whose business was it to pass on those bids?—A. Well, I don't know whether it was Mr. Herbert or—

Q. You had previously—hadn't you opened the bids?—A. I never opened bids; no.

Q. But you have classified them?—A. Yes, I did.

Q. You always had previously. Did you ever classify any bids received from the Renda Company?—A. Well, it all went on the same sheet, all the different companies with their prices.

Q. Well, from such of their bids as you saw during 1945, would you say they were entitled to the salvage contracts?—A. No.

Q. Were they ever entitled to the salvage contracts based on any of their bids?—A. I would say no.

Q. You would say no?—A. Yes, sir.

Q. You realized there was something wrong, didn't you?—A. Yes, we did.

Q. What was that something that was wrong?—A. Well, we just—I just thought it was funny that someone would come in like that with a low price. We had always taken the highest bidder, that Mr. Herbert's policy of doing, or whoever he got his orders from, so we did think it was funny somebody would come in like that with low prices and did get the business, but that's all that was told me.

Q. Have you ever discussed that with Mr. Herbert?—A. It was just mentioned once or twice, we thought it was funny.

Q. What did he say?—A. He thought it was funny, because up to that time, as long as I worked for him, it was always the higher bidder.

Q. That was a universal policy?—A. That's right.

Q. And some of these bidders had had the salvage business for years?—A. Yes, they had.

Q. Who got the nonferrous metal up to that time, up to March 1945?—A. Well, the majority of that went to Renda.

Q. No; up to that time.—A. Oh, up to that time, Continental Metal.

Q. They had had it for years, hadn't they?—A. I guess they did. I don't know just how long.

Q. They got it always when they were the high bidder?—A. That's right.

Q. Who got the ferrous metal salvage?—A. Ferrous, that's iron—ferrous mostly went to Woodmere Scrap Iron.

Q. And when they were the high bidder?—A. That's right.

Q. Who got the waste paper?—A. Levine.

Q. When he was the high bidder?—A. Yes.

Q. Then up to March 1945 the salvage was sold to the highest bidder?—A. That's right.

Q. Is that correct?—A. That's right.

Q. But when Renda got the contract, the first contract for salvage in March 1945, for the second quarter of 1945, he was not the high bidder, was he?—A. No.

Q. That aroused your suspicious?—A. Yes, sir.

Q. You discussed it with Mr. Herbert, is that right?—A. Yes.

Q. Is that correct?—A. That's right.

Q. And what did he say to you?—A. Mr. Herbert, you mean?

Q. Yes.—A. Well, nothing much. He just mentioned then that he thought it was funny, yet he didn't know. I guess, for a while who was going to get it, until he got orders from wherever he got it.

Q. Now, who had been letting the salvage contracts up to March of 1945?—A. What do you mean by that?

Q. Well, who had been passing on them and entering into the contracts on behalf of Briggs Manufacturing up to March of 1945, had Mr. Herbert?—A. Well, I don't know.

Q. Well, don't you know he had been in charge of salvage disposal?—A. Yes.

Q. Up to March of 1945?—A. Yes.

Q. And then he was supplanted by somebody else, wasn't he? Somebody else took over the letting of the salvage contracts?—A. Well, I guess so.

Q. Well, you know so, don't you? Herbert told you it had been taken out of his hands, didn't he?—A. Well, it must have been.

Q. Why, certainly, and who took that over?—A. I don't know.

Q. Who do you think?—A. Well, I don't know.

Q. What is your best guess?—A. Well, I suppose it was Mr. Herbert's boss, as far as I know.

Q. Who was that?—A. I believe it was Mr. Cleary.

Q. W. J. Cleary?—A. That's right.

Q. Director of Purchases?—A. That's right. When the sheets came back, his initials were usually on the bottom.

Q. Now, was March 1945 the first time while you were employed at Briggs, that Mr. Cleary had taken over on matters of salvage?—A. Yes.

Q. So, for the last three years prior to March of 1945, Mr. Herbert had charge of that?—A. That's right.

Q. Is that correct?—A. That's right; yes.

Q. When his work was suddenly taken over by Mr. Cleary?—A. Yes.

Q. How do you keep your records in that salvage department, or how did you when you were employed there?—A. Well—

Q. Did you have a separate filing system?—A. We kept all the bids like ferrous, non-ferrous, paper, all in different folders, with the letters that we sent out, with the letters that we received with the prices, and those that we acknowledged.

Q. How long would you keep those bids?—A. Well, we have kept them as long as I remember, while I was there.

Q. They weren't destroyed periodically?—A. No; they were kept.

Q. From year to year, as permanent records?—A. Yes.

Q. And your correspondence concerning these bids, how was that kept or filed?—A. That was filed altogether with the bids.

Q. In the salvage department?—A. In our files, right there.

Q. And that was located at which plant?—A. Mack.

Q. And known as what department?—A. The salvage department.

Q. Who is the head of it now; do you know?—A. I believe Mr. Reichman.

Q. What is his first name?—A. Cliff, Clifford.

Q. Clifford Reichman. Why did you quit Briggs?—A. I didn't quit.

Q. Why were you fired?—A. That we never knew. I never found out to this day why.

Q. Who discharged you?—A. Well, I don't know. It wasn't Mr. Herbert, although he told me, but it wasn't through him. I am not quite sure who it was.

The COURT. When were you discharged?

The WITNESS. January 7.

Mr. GABER. The same day Mr. Herbert was discharged?

The WITNESS. The same day.

The COURT. When was he discharged?

The WITNESS. The same day.

The COURT. Had he already got his notification he was discharged when you were discharged, or were you discharged first by him, and he later?

The WITNESS. No; we were both discharged the same day, and he came down and told me we were all through.

The COURT. Did you have any warning of it before that time?

The WITNESS. No; nothing at all.

The COURT. What day of the week was that?

The WITNESS. It was on a Monday, the first Monday in January.

The COURT. On the 7th?

The WITNESS. Yes.

The COURT. Did you get paid Saturday?

The WITNESS. No. We got paid every first and twenty-first of the month.

The COURT. So you were paid right up to date, up to Monday, were you?

The WITNESS. Yes.

The COURT. Or did they give you half a month's pay?

The WITNESS. Yes; and I had some back pay coming.

The COURT. But you were paid off right then?

The WITNESS. Yes. Not on Saturday, but on Monday.

The COURT. What part of the day?

The WITNESS. It was in the afternoon, although we weren't to leave until five o'clock, as far as going home.

By Mr. MOLL:

Q. Were you a member of the Briggs Local?—A. No.

Q. Did you belong to any union?—A. No.

Q. Were the office employees at Briggs unionized when you left there?—A. I don't believe so, although I don't know.

Q. Just the plant?—A. Yes.

Q. Is that correct?—A. That's right.

Q. None of the office employees?—A. Not that I know of.

Q. You were never asked—A. No.

Q. To join a union?—A. No.

Q. To sign any application for union membership?—A. No.

Q. And so far as you know, you were not included in any check-off system?—

A. No.

The COURT. Was there anybody else discharged that same day in the office?

The WITNESS. Just Mr. Herbert.

The COURT. Were there just you and Mr. Herbert in that office, or other employees?

The WITNESS. One more, Mr. Reichman.

The COURT. Mr. Reichman, Mr. Herbert, and you were the only ones in that office?

The WITNESS. That's right.

The COURT. And Reichman took Herbert's job?

The WITNESS. Yes.

By Mr. MOLL:

Q. Why would you say Reichman was retained?—A. Well, that we don't know.

Q. What do you think?—A. Well, I don't know.

Q. Well, what is your best judgment?—A. The only thing I was told, that they were going to dissolve the whole department, the salvage department, but that they called Mr. Reichman up there, up in the main office, and he was up there for over an hour or hour and a half, and he came back and he said he was just to stay there.

The COURT. Who was in the main office?

The WITNESS. I believe it was Mr. Blackwood that called him.

By Mr. MOLL:

Q. Who is Mr. Blackwood? What is his job?—A. I don't know exactly.

Q. Who is the personnel director or was when you left there?—A. I don't know. I can't remember that far back.

Q. Well, now, I suppose you are a little scared today?—A. Well, I am not exactly—

Q. Not too happy about the whole thing. Well, there's no use of being scared. You're not interested in protecting anybody, are you?—A. No.

Q. You certainly are not interested in protecting Briggs Manufacturing Company, are you?—A. No; I am not

Q. What do you know about this situation that we haven't asked you? So far as we know, you are a perfectly honest, decent young lady, who did what you were told. No blame is attached to you. I will put you at ease on that. We are not going to put you in any dungeon. What do you know about this situation? You know what we're talking about, don't you?—A. Yes; I believe I do.

Q. What do you know about it?—A. Well, I don't really know anything.

Q. Well, what are your thoughts? What are your quiet, secret thoughts, when you are riding home from work, and sitting with your knitting? That is, if your uncle should ask you about it, what would you tell your uncle?—A. Well, I don't know. I thought about it a lot, but I just never did really know.

Q. Well, you don't have to just really know. We know, but we want to know what you know. What were you thinking about? What did you think of this whole thing?—A. Well, I don't know. I just thought there was something awfully wrong about it, because I know that we wouldn't have been out the way we were, and I know it seems awfully funny, too, why I wasn't kept, although I was told that I was asked to stay there, but they asked if I was Mr. Herbert's secretary, and they said, yes, and they said, "Well, she will have to go too, then." Whether they thought I knew something or not, I don't know.

Q. Well, so far as you know, Mr. Herbert was a perfectly reputable employee of Briggs Manufacturing?—A. Oh, yes.

Q. There was nothing crooked about his work?—A. No.

Q. And yours the same?—A. Yes.

Q. You did your work and these salvage contracts were awarded in every instance, while you were there, to the highest bidder?—A. That's right.

Q. And you had never heard of Renda or Martin, as bidders until such time as Mr. Herbert told you that they had the salvage contract?—A. Yes.

Q. Is that correct?—A. Yes.

Q. Up to that point they had never submitted any bids?—A. No.

Q. Nor had you ever asked them to submit bids?—A. No.

Q. And it was only after that that they occasionally submitted some bids?—A. Yes.

Q. And they were never, so far as you know, the high bidder; they were never entitled from the standpoint of their bids to salvage contracts that they got?—A. No.

Q. Now, that wasn't exactly right in your mind, was it?—A. No, it wasn't.

Q. Now, did you wonder why that was?—A. Yes, I often did, because up to that point, it was always the high bidder, regardless who the company was.

Q. Who do you reason in your own mind that these people were favored?—A. Well, I naturally thought they were connected somehow with the high officials at Briggs.

Q. How did you get that idea?—A. Well, just because we got our orders from—well, the bids were signed or initialed by Mr. Cleary, and I just knew it wasn't in our office, as far as the bidding was concerned.

Q. Did you make any inquiries from other people?—A. No.

Q. And did some of you girls get your heads together?—A. No, because I was the only girl in the salvage department.

Q. Did you ever go upstairs to see any of the girls in the front office?—A. No, because our office was located across the street from the big Mack plant.

Q. Was there just a little talk you heard from time to time?—A. Oh, I heard a little.

Q. Along what lines?—A. Well, as to Renda and why he should get the bids.

Q. And what did you hear?—A. Just that they didn't think it was quite right, just couldn't understand it.

Q. Were they performing some little service for Briggs Manufacturing Company, did you ever hear?—A. No.

Q. Well, did you hear that Mr. Renda was a nephew of Mr. Briggs or anything like that?—A. No.

Q. Well, now, tell us just what you think about why Renda Company got these contracts. This is strictly confidential. You will not be exposed in any way. You are an American citizen, aren't you?—A. Yes.

Q. You have nothing to fear here. We didn't call you in because we suspect you in any way, or because you are under suspicion in any way. Is that a fair statement, Judge?

The COURT. That is fair, yes.

By Mr. MOLL:

Q. So you have nothing to fear. What we want is what you know, and we want the truth from you.—A. Well, the only thing that I thought myself was that perhaps Renda was either paying someone or was connected somehow with the high officials in Briggs. He, in other words, bought himself in.

Q. Do you know who any of Renda's associates were?—A. Just Mr. Martin.

Q. Do you know anybody else?—A. Well, I have heard of someone else, although I don't know them.

Q. Who?—A. I can't pronounce his name.

Q. Perrone?—A. Yes.

Q. Sam Perrone?—A. I never heard his first name.

Q. Do you know the gentleman?—A. No.

Q. Would you like to see a picture? You are not married are you?—A. No; I am not.

Q. We hold him up as a fine example of what a young man should be.

Mr. GARBNER. Did you ever see him around there?

The WITNESS. No.

Mr. GARBNER. Did you ever see this other gentleman around there?

The WITNESS. No.

Mr. GARBNER. You didn't ever see either one of these gentlemen with Mr. Renda or Mr. Martin around the plant?

The WITNESS. No.

By Mr. MOLL:

Q. What was the monthly salvage, as you remember, say, on an average during 1945?—A. Monthly? You mean dollars?

Q. Yes, dollars, and you break down in ferrous, nonferrous, and waste paper products.—A. Oh, gee, I can't remember it.

Q. Well, the best you can. Take nonferrous metals, what would that run, say, in 1945, an average per month? \$25,000?—A. No; I don't believe it was that high.

Q. What is your best judgment?—A. Some months I remember it was \$7,000 and then again it was a little bit more, maybe nine thousand or ten thousand. That's what I think. I don't know exactly.

Q. We are talking about nonferrous. Now, ferrous metals.—A. Ferrous, oh, I—I can't remember.

Q. Can't you estimate it?—A. Maybe about twelve thousand.

Q. Now, waste paper.—A. Oh, that was about, I would say, about three or four thousand.

Q. Was there any other type of salvage outside of aluminum?—A. No.

Q. Clips?—A. Well, there's clips and bushings and miscellaneous items.

Q. Who got that?—A. Well, there was different companies. It would depend upon what the material was.

Q. And that finally went to Renda too?—A. No.

Q. They didn't take the miscellaneous?—A. Miscellaneous items, no.

Q. Who got the old machinery before March of 1945?—A. Before March of 1945? Oh, what would you mean by machinery?

Q. Old machines.—A. We never sold machinery, that I know of, never had any.

Q. You never did?—A. Not that I can recall.

Q. Did you sell any of it?—A. No.

Q. Not as salvage?—A. No; I don't believe we did.

Q. Compressed steel bundles, hydraulic compressed scrap, was there any of that sold?—A. Yes, bundled steel scrap, I believe that went to, I believe, Silverstein Company.

Q. The man you are working for now?—A. Yes.

Q. He bought all of it for years, hadn't he?—A. Yes.

Q. There's no question about that, is there?—A. No.

The COURT. When did you go to work for Silverstein?

The WITNESS. About around January 20th or 21st.

The COURT. Within a week or two after you were discharged?

The WITNESS. Yes.

The COURT. Did he seek you or did you seek a job with him?

The WITNESS. No. The day that we got our notice to leave, Mr. Silverstein was in the office, and Mr. Herbert told me this, I didn't hear it, and he said, "Tell Shirley to come into my office if she wants a job." Or something to that effect.

The COURT. Where is his office?

The WITNESS. Six Mile Road, McNichols Road.

The COURT. Six Mile where?

The WITNESS. McNichols Road.

The COURT. Yes, where?

The WITNESS. Between Mt. Elliott and Van Dyke.

By Mr. MOLL:

Q. Is Silverstein still buying the compressed steel scrap?—A. I don't believe so.

Q. That's going to Renda, too, isn't it?—A. I don't know who it's going to.

The COURT. That's going to Great Lakes Steel direct.

By Mr. MOLL:

Q. You don't know who gets that?—A. No.

Q. Now, is there anything you know you want to tell us?—A. No.

Q. That we haven't asked you?—A. No.

Mr. GABBER. Were there any beatings that took place at the Briggs Manufacturing while you were there?

The WITNESS. Any beatings?

Mr. GABBER. Anybody in the plant beaten up?

The WITNESS. Not that I heard about.

Mr. GABBER. Did you read about anybody in the paper being beat up in the Briggs plant?

The WITNESS. I believe I did. I can't quite remember when it was.

Mr. GABBER. Well, wasn't there a man beat up just about five days before these contracts were entered into?

The WITNESS. Well, I don't know.

Mr. GABBER. Did you ever hear of Art Vega being beat up out there?

The WITNESS. No.

Mr. GABBER. Did you ever read of any others being beat up out there?

The WITNESS. No.

Mr. GABBER. Did you ever hear of anybody being agitators or Trotskyites in the Briggs plant?

The WITNESS. No.

Mr. GABBER. Did you ever hear of Mrs. Dollinger in the Briggs plant?

The WITNESS. No.

Mr. GABBER. Did you ever hear of her being beat up?

The WITNESS. No.

By Mr. MOLL:

Q. What was your observation while you were employed at Briggs as to strikes or work stoppages? Were they frequent?—A. Yes; they were.

Q. And did they continue at the same frequency during 1945, or was there any let-up in work stoppages or strikes?—A. Well, there was one, I remember, it was about around the first of March.

Mr. GABBER. There was a stoppage at that time?

The WITNESS. Yes.

By Mr. MOLL:

Q. What was that, a strike, or just a work stoppage?—A. Well, I believe it was a strike.

Q. Or was it a slow down, or what was it? Your best recollection is it was a strike?—A. Yes.

Q. How long did it last?—A. Oh, I don't remember for sure, but I think pretty close to two weeks, between a week and two weeks.

Q. Was the plant picketed?—A. Yes, I believe it was.

Q. Were you kept out of your office?—A. No, no. We continued.

Q. The office employees were not kept out?—A. That's right.

Q. Did you go through the picket line?—A. Well, they never picketed around our place. We weren't in the big plant. They never bothered us over there.

Q. Now, after March 1945, did these work stoppages continue, or was there some let-up in stoppages, or strikes?—A. Well, I believe there was a let-up, although different times you would hear there would be at different plants.

Q. Did you ever discuss that change of pace with anybody?—A. No.

Q. Did you ever hear any reasons why there was a let-up in strikes or work stoppages?—A. No, because I was never connected with up there, and Mr. Herbert never mentioned anything.

Mr. MOLL. I think that's all I have Ralph.

Examination by Mr. GABBER:

Q. Did you ever discuss this matter with Mr. Silverstine?—A. No.

Q. Mr. Silverstine has a pretty close connection with the Briggs plant, hasn't he?—A. Yes; he has.

Q. And has had over a considerable number of years?—A. Yes.

Q. But you have never heard Mr. Silverstine discuss this proposition at the Briggs plant about the Renda Co. coming in there?—A. No.

Q. He never discussed it in your presence?—A. No.

Q. And Mr. Silverstine spent considerable time around the Briggs plant before you went to work for him?—A. Well, not that I saw. He came in the office once in a while.

Q. Does he deal in used or obsolete machinery considerable, like lathes, things of that kind?—A. Yes.

Q. Is that the majority of his business?—A. You mean with the Briggs or—

Q. No; I mean Silverstine's business.—A. No. He deals in a lot of that, a lot of miscellaneous scrap. We call it yard scrap.

Q. What percentage of his business has to do with machines, resale of used machines?—A. Well, I would say about 25 percent.

Q. Who does he sell those machines to, local concerns, or does he have a buyer that takes them over?—A. Well, I don't really know.

Q. You don't know?—A. No.

Q. What is your official position with Mr. Silverstine?—A. Mostly typist, switchboard operator.

Q. Typist and switchboard operator. So you are not acquainted with his books, as to who he sells to or does sell to.—A. No.

Mr. CARTER. Is there anything further, your Honor?

The COURT. No.

Mr. GABBER. You still have your subpoena, and if you should think of anything that might help us—after all, this is a serious matter—will you get in touch with me?

The WITNESS. Yes; I will.

Mr. GABBER. Or Judge Moll or Judge Murphy. In the meantime, don't talk to anyone—that includes Mr. Silverstine, your employer—as to what you were questioned about, or what was discussed here. You have already taken an



oath that you won't discuss it with anybody, so what you said is confidential, and let's keep it that way.

(Witness excused.)

4:30 p. m.

CLIFFORD B. REICHMAN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. How old are you, Mr. Reichman?—A. 43, my last birthday.

Q. Where were you born?—A. Detroit, Michigan.

Q. Have you lived here all your life?—A. Yes, sir.

Q. You are employed by Briggs Manufacturing Company?—A. Yes, sir.

The COURT. Where did you go to school?

The WITNESS. Detroit.

The COURT. How far?

The WITNESS. Eighth Grade.

The COURT. That was the completion of your education, the eighth grade?

The WITNESS. Yes, sir, outside other—like, I studied about metal and stuff like that. I took that up during the war.

By Mr. GARBER:

Q. How long have you been employed at Briggs?—A. 22 years this coming December.

Q. What is your present position?—A. I have charge of the salvage there.

Q. How long have you had that position?—A. Since January 7th of this year.

Q. And were you connected with the salvage previous to January 7th?—A. Yes; I was.

Q. Who was in charge of salvage previous to that?—A. George Herbert.

Q. How long have you known George Herbert?—A. About 20 years, I believe.

Q. What kind of a man do you know him to be?—A. Well, a fair man, honest. I have known him for a long time, a good friend.

Q. A good friend, he has good mental capabilities?—A. Yes, sir.

Q. You know nothing bad about him?—A. No, I don't say I do.

The COURT. Is he a man whose word you can rely on?

The WITNESS. I would say so, yes.

By Mr. GARBER:

Q. And how long were you his assistant in the salvage?—A. I think about 10 years.

Q. Ten years. And was part of your work, did that pertain to getting bids on salvage, and so forth?—A. No. A very small portion of it. Mr. Herbert took care of most of that.

Q. Do you know the method used in selling scrap previous to the time you took charge of the matter?—A. You mean all the time before?

Q. Yes.—A. Yes. We sent out bids and asked for bids on scrap material, and it would be sold to the highest bidder.

Q. Was that the method followed?—A. Yes; up to a certain place.

Q. Well, we will say previous to March 1945, was that method followed?—A. Let's see. That's about a year—about that.

Q. The highest bidder obtained the scrap metal?—A. Yes.

Q. How many different types are there?—A. Well, there's scrap iron—would you want to know about scrap iron, how many different classifications there are in there?

Q. No; scrap iron.—A. Well, it has five or six classifications under that head.

The COURT. Well, ferrous and nonferrous.

The WITNESS. Nonferrous falls under scrap iron.

The COURT. What is ferrous?

The WITNESS. Like brass, copper, aluminum, and so forth.

The COURT. Ferrous would fall under the iron, right?

The WITNESS. Yes.

The COURT. You have paper?

The WITNESS. Paper scrap, rag scrap, obsolete material.

The COURT. Such as what, you mean like scrap?

The WITNESS. There are times like when there are engineering changes in the company and the material becomes obsolete, and it is thrown out as scrap.

The COURT. What do you mean, jigs?

The WITNESS. No; bolts, nuts, arm rests, seat springs, stuff like that.

The COURT. Does any machinery become obsolete?

The WITNESS. No; not under that category.

The COURT. Who handles that?

The WITNESS. Obsolete and scrap machinery is handled by Mr. Norman Yapp.

The COURT. It doesn't come under your department?

The WITNESS. No.

The COURT. So you don't have anything to do with that?

The WITNESS. Not obsolete machinery.

The COURT. Up to March 1945, everything was sold to the highest bidder in the way of scrap?

The WITNESS. That's right.

The COURT. Bids were sent out, companies were notified to place their bids, and the bids were opened and the highest bidder received the material?

The WITNESS. The highest bidder received the material, right.

The COURT. Apparently there was a change around April 1st 1945?

The WITNESS. That's right.

The COURT. What happened after that?

The WITNESS. A fellow by the name of Carl Renda came in there and the material was sent out to him.

The COURT. Where had you ever heard of Carl Renda up to approximately the first of April 1945?

The WITNESS. Before that time I had never heard of him before.

By Mr. GARBER:

Q. Were any bids ever sent out to Mr. Renda?—A. No; there wasn't.

Q. Did you ever hear of Charles Martin prior to the first of April 1945?—A. No, sir; I didn't.

Q. Was he on your list of people, either one of those gentlemen, to send out requests for bids?—A. No, sir.

Q. Do you know whether or not the Renda Company had an office?—A. No; I do not.

Q. Were you able to find them in the phone book? Did they have a phone?—A. No, sir.

Q. Did they have any trucks?—A. No, sir.

Q. Did they have a yard?—A. No, sir.

Q. But approximately April 1, 1945, the Renda Company received most of the salvage contracts?—A. They did that, yes.

Q. And what contracts did they receive as to what materials?—A. They received the scrap iron, anything under scrap iron, anything under metals and paper, and see if I can think of anything else right now.

Q. Did they receive any aluminum?—A. Yes; they received all aluminum, brass, copper, and copper wire, and that would be—there would be others in there like brass borings, Ampco metal.

Q. What percentage of the entire scrap of the Briggs Manufacturing would they receive under the things you enumerated here?—A. They received all of it.

Q. Practically all the scrap of the Briggs Manufacturing?—A. Yes. There was only other things like government material sent out, and bids were received, and that went to the highest bidder, but Renda didn't get that material unless his bid was high, over the other concerns that bid on it.

Q. Well, now, was a distinction made between the materials belonging to Briggs Manufacturing and government materials?—A. There was at the time when they would call a termination of material. That was from a different part of the organization. It would come through.

Q. So when the scrap materials of the government were sold, that was sold to the highest bidder?—A. That's correct.

Q. When scrap belonging to Briggs Manufacturing was sold, that was sold to Renda Company, regardless of his bid?—A. There wasn't any bid asked for. It just came under that category.

Q. And it automatically went to him?—A. Yes, sir.

Q. Is that still in vogue at the present time?—A. Yes, sir.

Q. How long a contract has the Renda Company got on that?—A. That I couldn't say. I don't know. I haven't seen no contracts.

Q. Do you know whether there is a contract between Briggs and Renda?—  
A. I heard it said there was a contract.

Q. Do you know any of its terms?—A. No.

Mr. MOLL. Pardon me. That contract is in writing?

The WITNESS. Well, now, I haven't seen it or anything. I just heard there was a contract in writing—rather, a contract, I should say. Whether it is in writing or not, I don't know.

The COURT. Who did you hear it from?

The WITNESS. From several sources—different people made that statement.

The COURT. Among them, who?

The WITNESS. Well, I heard Renda say that one time.

By Mr. GARBER:

Q. Renda told you he had a written contract?—A. I heard it said. He didn't come right out and tell me.

The COURT. Did you hear any of the officials say it?

The WITNESS. Well, yes, I have. Mr. Cleary—he is dead, of course, now. He's the man I took my instructions from.

By Mr. GARBER:

Q. After or before Mr. Herbert left?—A. That would be after Mr. Herbert left. Before he left, he took his instructions from him.

Q. Who do you take your instructions from now?—A. Mr. Cochrane. He O. K.'s anything that comes up now, Stanley Cochrane.

Q. What is his position?—A. He took Mr. Cleary's place, director of purchases.

Q. Now, you take all orders in reference to salvage from him?—A. In reference to anything to be sold on bids. We only have one item we sell on bids today. That is salvage steel blanks, and I sent out the letters on those to the various companies wanting to bid on them, and the bids are returned to Mr. Cochrane's office, and he settles who it goes to, the highest bidder. That's the only thing bids go out on.

Q. The balance of that is not bid on at all?—A. No; it goes to Carl Renda automatically.

Q. That's a decided change from what existed the last ten years to your knowledge?—A. Yes, before Renda came into the picture.

Mr. MOLL. What's the reason for that change?

The WITNESS. That I couldn't say.

Mr. MOLL. What is your best information on it?

The WITNESS. Pardon?

Mr. MOLL. What is your best knowledge or information on it?

The WITNESS. The only information I have, we were told, ship the material to Renda; that is, Mr. Herbert told me that when the thing came up at the time, and all materials would go to him, it was so designated, and that's the only information I have to any effect, why it is that way, myself.

By Mr. GARBER:

Q. Well, Renda never collected any of the material he bought himself personally?—A. That is moved—the material, by his own trucks.

Q. Yes.—A. Right after the war finished, he started getting some trucks, and he has his name on the trucks today that come into our plant.

Q. His own trucks?—A. I imagine so. They have his name and telephone number. They are painted red, some of them are these army trucks he got somewhere.

Q. Where would he get them, do you know?—A. Gee, I don't know.

Q. Well, had any of the same people who had been the high bidders, continued to remove the salvage from the Briggs plant?—A. Yes, sir. For instance, Woodmere Scrap Iron Company, they were high on different occasions, and they would get the materials, and the scrap is now leaving our plant and going to their yard. They move the material for Renda.

Q. Do you know what the deal is between Renda and Woodmere Scrap?—  
A. No; I do not.

Q. But they have continued to move it in their trucks, even though Renda has the contract?—A. Right from the very beginning. The same way with metals; metals go to Continental Metal. They were high at various times, and they continue to move the metal.

Q. Renda holds the contract?—A. Yes. Everything is billed to Renda Company. They have an office now down on Bellevue. I don't know the exact address of it. It's on Bellevue.

Q. And that contract or that method of transacting business is what is in force at the present time?—A. Yes; it is.

Q. There have been no changes made since you took it over?—A. No, sir.

Q. Do you know the reason Mr. Herbert was discharged?—A. No, sir; I do not.

Q. Do you know the reason his secretary was discharged?—A. No, sir; I do not.

Q. You have a secretary now?—A. Yes, I do.

Q. When was she employed?—A. Well, it's a man I have. He was employed some time—let's see, that happened in January. He was employed in March, I believe it was. I had a girl there till he got straightened out, discharged from the Navy. The girl was there while he was getting straightened out. Then he came to work, and I think that was along the first part of March.

Q. Have there been any changes in your department or did they continue on the same as always?—A. You mean, as far as scrap is concerned?

Q. Yes.—A. Just about the same; yes.

Q. In other words, they didn't attempt to do away with that department in any manner?—A. You mean the management?

Q. Yes.—A. Not to my knowledge.

Q. They put you in charge of it, to take Mr. Herbert's place, employed you a secretary to take the place of Mr. Herbert's secretary. You are continuing on, the only exception being now no bids are being sent out. It all goes to Renda company, except this one thing.—A. Except salvage steel blanks.

Q. What was the reason for that?—A. For what?

Q. Well, for doing away with high bidders and letting the Renda Company have it?—A. Well, that's something I couldn't answer. I have wondered about that myself. I can't answer that. I don't know.

Q. Do you know who Mr. Renda's associates are?—A. The only associate I know is Mr. Martin, and I met Mr. Martin several months ago for the first time.

Q. And what part does Mr. Martin apparently play in the picture?—A. Well, to the best of my knowledge, it seems he's like a lawyer or something, as far as Mr. Renda, he called him his right-hand man, as far as I know, his associate.

Q. Do you know whether or not he is a lawyer or not?—A. That I couldn't say. It sounded that way when Mr. Renda introduced me to him.

Q. Did you ever meet any relatives of Mr. Renda?—A. No, sir.

Q. Do you know any of Mr. Renda's family who are engaged in the salvage business any other place?—A. No; I don't know of anybody else that I know of.

Q. Do you know any qualifications Mr. Renda has that the former people who have been the high bidders—any Mr. Renda has that they don't have?—A. No; he gives very good service on his trucks.

Q. Well, the same people are moving it.—A. That's true, but he has seen they have gotten more trucks too, that are his trucks, that have his name on it. For instance, Woodmere Scrap Drivers drive his trucks.

Q. Are they his trucks or Woodmere's?—A. Well, it's his name on the truck, name, address, and phone number on the trucks.

Q. Woodmere drivers drive them?—A. The same men who drove Woodmere trucks before are driving the trucks with the name of Carl Renda on it.

Q. Have you had any discussions with your superiors relative to this salvage contract?—A. No, sir.

Q. Did you ever make any inquiry or suggest that you could get more money than they are getting by selling it to the highest bidder?—A. No; only on steel blanks, and that was taken care of that way, and the way I understood it, when I took the job over, it would be continued the way it has been in the past.

Q. What would be continued?—A. The deal with Carl Renda.

Q. In other words, it's a permanent deal?—A. That's what I was given to understand, until further notice. That's what I was instructed. Then, I would say a couple of weeks after Mr. Cleary passed away, Mr. Cocrane took over and there was a meeting there, and he asked me about it, if those prices were as much as we could get, and I told him, no, they weren't. So he made arrangements to have a meeting with Renda, and what was done, I don't know. I haven't heard anything more about it to this day.

Q. You told him at that time you could do better than Renda was paying?—A. No. I told him they were not the highest prices we could get for the material, because he asked me about it. He was interested in it.

Mr. MOLL. On that point, what loss are you taking on it under this arrangement, over a sale to the higher bidder?

The WITNESS. Well, I wouldn't exactly know, because I have never made it a point to inquire what could be received for scrap material.

Mr. MOLL. What is your best judgment on it? What kind of a licking are you taking on it? What is it costing Briggs Manufacturing, in other words, to have this arrangement?

The WITNESS. I would say, for instance, we will say on one item, like miscellaneous scrap iron, I would, we are losing around at least \$3 a ton.

By Mr. GABBER:

Q. How many tons do you have of that a month?

The WITNESS. Oh, possibly 50, 75 tons.

Q. How much are you losing on ferrous scrap?—A. Oh, I would say anywhere from a quarter of a cent a pound, possibly to one and a half or two cents.

Q. How many tons do you have of that?—A. We don't have too much of that. All the scrap we get in that line is mostly from maintenance work. It doesn't amount to too much. It isn't very heavy.

Q. What is your biggest salvage?—A. The largest salvage is bundled steel scrap.

Q. Who gets that?—A. It goes directly to the mills today.

Q. I mean that Renda's getting.—A. Well, our miscellaneous and painted and galvanized, and he also gets loose sheet clips, that's trimmings off the die and press room. It's overflow we can't handle in our balers, and that goes out loose. That's quite a loss in that.

Q. How much would that amount to a month?—A. At the present time between loose and baled, it's about around \$9.80 a ton, and I would say if we sold it to someone else for a high bid, we might get anywhere between eleven and twelve dollars a ton for it. That would be a differential of, I would say, four and a half, five dollars a ton loss on the loose stuff.

Q. How much of that do you send out in a month?—A. Oh, I would say between ten and fifteen tons—between a thousand and fifteen hundred tons a month.

Q. The loss is approximately \$5 a ton on that?—A. Approximately, yes.

Q. That would be some five to seven thousand dollars a month?—A. In that neighborhood; yes.

Q. Why is a hard-headed outfit like the Briggs willing to take that loss?—A. That I couldn't tell you. I wouldn't know.

Mr. MOLL. Now, I would like to get you to answer my question. What do you think the aggregate loss is on all scrap or all salvage, that is going to Renda, per month, average?

Mr. GABBER. Do you need a piece of paper?

The WITNESS. Yes; it would help. I would say, there's a good fourteen thousand, being conservative.

Mr. GABBER. Loss, per month?

The WITNESS. Yes; I would say being conservative on that score.

Mr. MOLL. You mean, the differential of what you get from Renda for all salvage and what you could probably get from the highest bidder for the same material is \$14,000 a month average?

The WITNESS. I would say approximately that; yes.

Mr. MOLL. So the loss is \$14,000 a month to Briggs Manufacturing?

The WITNESS. Yes. It would be almost that much.

Mr. GABBER. Could be a little more than that?

The WITNESS. It could be less, too. It would depend how the material is moving.

Mr. MOLL. What do they get in return for taking that loss?

The WITNESS. That I don't know. I haven't the slightest idea.

Mr. MOLL. Well, what is your idea on that? You have some idea. What is it?

The WITNESS. Well, there's nothing I know definitely I can say.

Mr. MOLL. That's right. I will agree on that.

The WITNESS. I have heard different ones say, well, it's to help cut down on labor troubles, it's to help to cut down on that. Whether that's true or not, I don't know. I have heard that said.

Mr. MOLL. From what source?

The WITNESS. I heard that said in our office, through our own office. I heard Mr. Herbert mention it at the beginning. That's one thing I heard. Another thing I heard, it's under pressure. There's some pressure somewhere that's caused that.

Mr. GABBER. What kind of pressure?

The WITNESS. I don't know what it is, whether it's forced pressure, what it is—just what I heard, that somebody at the other end in the main offices, that's the way they want it, and that's the way it is.

Mr. MOLL. What do you gather Cleary's reaction to this was in his lifetime?

The WITNESS. I didn't know Mr. Cleary very well, and I didn't ever get much reaction from Mr. Cleary, because he was only there a short time after I took the job over. He was only there a short time, and I didn't know Mr. Cleary very well.

Mr. MOLL. He bore a pretty good reputation?

The WITNESS. He did. I will say for Mr. Cleary he was a 100% square shooter. Any time he told you anything, you didn't have to worry about anything. He stood up behind it 100%.

Mr. GARBER. You already told us Mr. Cleary you would believe.

The WITNESS. Yes, I did.

Mr. MOLL. If Mr. Cleary had anything to do with it, it was shoved down his throat.

The WITNESS. Yes; I heard that statement by Mr. Herbert, too. Mr. Herbert said Mr. Cleary said that's the way it had to be, and that's the way it had to be.

Mr. MOLL. What's your own observation, irrespective of what Herbert thought? What does it look like to you?

The WITNESS. From my viewpoint, it looks to me that there must be someone up in the front office that wants it that way or is forced to have it that way. They shouldn't surely take a loss the way they are.

Mr. MOLL. Who would you identify as "the front office"?

The WITNESS. I don't know exactly who that would be. Robinson is head of the office, Mr. Lundberg.

Mr. MOLL. Who else?

The WITNESS. Mr. Blackwood, he is my superior officer, my boss.

Mr. MOLL. What is Blackwood's official position?

The WITNESS. I don't know exactly what his official status is right now. There was changes made right there, I don't know what his status is right now.

Mr. MOLL. How is he generally regarded?

The WITNESS. It seems to me, I think he is comptroller of the company.

Mr. MOLL. Who is the personnel director?

The WITNESS. Fay Taylor.

Mr. GARBER. What is his reputation?

The WITNESS. Well, as far as I know, I guess it's all right. I don't know anything about the man myself.

Mr. GARBER. Is he a pretty hard-headed individual, antilabor, union?

The WITNESS. I guess he's pretty hard to get along with when you cross him up, something like that.

Mr. GARBER. Is he anti-union?

The WITNESS. Well, I don't know. I won't say. Whenever there's a grievance comes up, it gets before Mr. Taylor some way or other, finally winds up there.

Mr. GARBER. What is the history of strikes up to April 1, 1945? Did they have many of them out there, work stoppages, wildcat strikes, so forth?

The WITNESS. In quite a few months, I can't recall of any.

Mr. GARBER. I am talking about previous to this deal.

The WITNESS. Before that, I see what you mean, there was a lot of them.

Mr. GARBER. What's the situation since this deal?

The WITNESS. It seems to have eased off, you don't see so much—there was a lot of work stoppages, stuff like that, you don't see today.

Mr. GARBER. It has stopped to a large percent since April 1, 1945?

The WITNESS. It has stopped, but there have still been unauthorized strikes in the plant.

Mr. GARBER. Has that been greatly reduced, would you say?

Mr. WITNESS. I would say it has been reduced somewhat.

Mr. MOLL. To a material extent?

The WITNESS. Well, it seems to me we haven't had very much of that lately, in quite a few months now.

Mr. MOLL. Has it sloughed off \$14,000 worth a month?

The WITNESS. Well, I don't know that. I couldn't say.

By Mr. GARBER:

Q. You don't know what their losses were from the strikes?—A. No, I do not.

Q. Would it run into a big figure?—A. Well, I would think so—a lot of people.

Q. Considerable loss in maintenance when the factory is not working?—A. When the plant's down that means the machinery has got to stand idle, and it doesn't do it any good for any period of time at all. It creates extra work.

Q. If the shop was continued in operation, it wouldn't take long to make up that \$14,000, would it?—A. No, I presume not.

Examination by Mr. MOLL:

Q. Now, you have some very definite ideas, haven't you, as to why this salvage is being handled the way it is.—A. Only what I have heard from Mr. Herbert. Like, when this thing happened, I asked him, how come, and he said, well, that was the way it was supposed to be, and that was the way the management wanted this thing run, and they would tell us to take care of it that way.

Q. What is your idea as to why they wanted it handled this way?—A. I have no idea why they would want it that way.

Q. You must have some thought in the matter of what you are getting for it?—A. It's only like I said, it seems they may want one man in there to run this thing and take care of it, and then again it may be for other reasons that I don't know. I have never been told anything in that respect at all.

The COURT. What did you observe?

By Mr. MOLL:

Q. What do you think, in a way, that will be helpful to us? We have to make up our minds, on situations like this. How do you evaluate this situation?—A. I would think Renda must have somebody under pressure, or else he wouldn't be there.

Q. Is it a financial pressure?—A. I don't know whether it is that or not, but there's pressure of some kind there, because an organization as large as Briggs wouldn't tolerate anything like that, because in the past everybody was out to get everything they possibly could for scrap materials.

Q. Now, if Renda hasn't somebody in authority under pressure, then the management must be getting something in return for this \$14,000 loss they are taking, right?—A. You could look at it that way, yes.

Q. I mean, it's either pressure from Renda, or it's a deal of some kind?—A. Yes.

Q. Right?—A. It must be one or the other.

Q. Now, what service could this Renda Company be performing?—A. For Briggs Manufacturing?

Q. Yes.—A. Why, the only thing I have heard that it may have something to do with the union.

Q. And what have you heard in that respect?—A. I have heard that Renda had some control over the union somewhere, to cut down on possible strikes of Briggs Manufacturing.

Q. That's a pretty prevalent opinion?—A. That's what I have heard said. It is not an opinion of mine. I have heard that said.

Q. You have heard that frequently?—A. I heard that a number of times.

Q. And from other sources?—A. And from other sources throughout our office.

Q. In the plant?—A. Not from individuals in the plant.

Q. From whom, for instance?—A. Well, we will say, at one time, rather, in the beginning, Max Timchen from Continental Metal and, say, Dave Friedman from Woodmere were in the office at one time, and that would make Mr. Herbert, myself and those two gentlemen were there, and that was part of the general conversation, it sounded to that effect, and it came from more than one trend of thought.

Mr. GARBER. Have you ever heard of any beatings?

The WITNESS. No.

Mr. GARBER. You don't know anything about these beatings?

The WITNESS. No, only what I read in the newspaper.

Mr. GARBER. Well, they were Briggs employees?

The WITNESS. Yes, I know that.

Mr. GARBER. Did that strike a familiar note in your mind there is any connection between the beatings and the salvage dealer?

The WITNESS. It didn't strike that note in my mind, but I thought possibly from what I had heard of Mr. Renda's father-in-law, and his family, going back into it, I imagined that was part of it, just summarized that from what I heard before that. It didn't look good, I grant you that.

Mr. GARBER. Did you get a raise in salary when you got this job?

The WITNESS. Yes, I did.

Mr. GARBER. How much of a raise?

The WITNESS. Let's see, I was getting three twenty-five and just at that time they put that 18% through and it brought my salary up to five seventeen a month.

The COURT. What are you getting now?

The WITNESS. Five seventeen.

The COURT. What did Herbert get?

The WITNESS. I don't know what his salary was.

The COURT. What do you think he got?

The WITNESS. Well, when I took the job over, Mr. Blackwood told me he would bring my salary up to Mr. Herbert's salary, what it was.

Mr. GARBER. Were you told in effect to keep your nose clean and not to worry about this deal, by anyone, when you took this job?

The WITNESS. You mean—

Mr. GARBER. Not in investigate too much, go into this Renda deal, kind of let sleeping dogs lie, so to speak?

The WITNESS. No, I wasn't told that, no. I was going by what was told Mr. Herbert, it was to go ahead, operate that way, that would be the end of it.

Mr. GARBER. Isn't it a fact Mr. Herbert got discharged because he was a little nosy about what this deal was?

The WITNESS. No, I couldn't say whether that was why he was discharged or not. I know he made a lot of investigations to start with, and was told to carry on the way it was.

Mr. GARBER. Was told to forget about it?

The WITNESS. I presume that's what it was.

Mr. GARBER. You have held the job since January 7 of this year, and you have gone along with the deal and not asked questions; is that it?

The WITNESS. That's right.

The COURT. Did you ever get any instructions from the management, that is, Dean Robinson or Walter Briggs?

The WITNESS. No.

The COURT. In regard to this deal?

The WITNESS. No, sir; I never received any instructions from them.

The COURT. Dean Robinson was in charge of the personnel, wasn't he, labor relations?

The WITNESS. Dean Robinson? No; I don't think he was.

Mr. MOLL. Yes; he used to be.

The WITNESS. Maybe he was quite a long time ago. He could have been in the beginning.

The COURT. How old a man is he?

The WITNESS. I never seen the gentleman. I haven't the slightest idea.

The COURT. You don't know him?

The WITNESS. I wouldn't know him if he walked in this room today. I haven't seen him in all this time.

The COURT. And you have been there 21 years, 22?

The WITNESS. Yes, sir. I haven't had the opportunity; you see, when Mr. Herbert was there he took care of everything in the main office. I never went up there to see anyone, and never run into them. Before that I was in the time department.

The COURT. Since you have Herbert's job, don't you go to the main office?

The WITNESS. Yes.

The COURT. Who do you contact there?

The WITNESS. Mr. Convery and Mr. Blackwood.

The COURT. What does he do?

The WITNESS. Mr. Blackwood's assistant.

The COURT. Blackwood, you say, has the status of comptroller?

The WITNESS. Yes; I believe that's his—I am quite sure that's what it is. He is comptroller of the company. Mr. Lilygren was our boss up till the first of this year, and then he left and Mr. Blackwood took over, and Mr. Lilygren was comptroller at that time.

The COURT. Who is Mr. Renda's father-in-law?

The WITNESS. Who is he? I don't know. I have heard his name a number of times, but I can never remember it. I can't remember his name.

The COURT. You never met him?

The WITNESS. No, sir; I never have.

The COURT. Do Renda and Martin often go into your office together?

The WITNESS. They have been in my office about twice together.

The COURT. Were they accompanied by a third man?

The WITNESS. That I couldn't say. I never seen no third man. There was no third man in my office when they were in together.



By Mr. MOLL:

Q. Do either one of them spend any time around the plant, to your knowledge?—A. Renda does.

Q. For what purpose?—A. Checking on his trucks. Sees the material is being moved out.

Q. How much time does he spend there on an average?—A. Not over ten, fifteen minutes at the most.

Q. Every day?—A. Not every day, maybe every other day, every third day, twice a week, something like that.

Q. He is around the plants frequently?—A. Yes; he is.

Q. At all of the plants?—A. Yes; stops by all of them, and he stops in my office, once, twice, three times a week, drops in for ten, fifteen minutes.

Q. He hits the main office, too?—A. I don't know, because my office is on Warren Avenue across from the Mack Avenue plant, and the main office is three-quarters of a mile away.

Q. Have you heard it rumored he is going to the main office frequently?—A. No, sir; I haven't heard that rumor at all. No, sir; I haven't.

Q. Now, did you ever see Renda bringing in things to the plant, such as cartons of cigarettes, and so forth?—A. No; I haven't.

Q. Did you ever see him bring in anything, or is he always taking out?—A. I have never seen the man bring anything in.

Q. Did you ever see him have anything around the plant in a car?—A. No; I never have. His car is usually parked right by the watchman's booth.

The COURT. What kind of car does he drive?

The WITNESS. I believe a Pontiac.

The COURT. He has access to all parts of the plant?

The WITNESS. Yes. He has what you call a pass to go into all the plants—an all-plants pass.

By Mr. MOLL:

Q. Briggs is what was known as kind of a tough labor spot?—A. Years ago?

Q. Yes.—A. I have heard it said a lot; I have worked for them all these years. I can't say it about them, as far as I am concerned, and I guess the majority of the people there can't say that either, unless they just want to put them on the pan for something.

Q. But there has been quite a bit of union difficulty?—A. I don't think any more than in any other concern.

Q. Well, comparatively speaking, weren't your work stoppages and strikes, say, before 1945, a little more than in other plants?—A. No; I don't think so. I think when that was happening that was the style all over, and every little bit the fellows would go out on strike, walk off the job, sit down. I think it must have been the same all over, the way I remember it.

Q. Did you sense any labor unrest particularly yourself?—A. No; I can't say I have.

Q. Do they talk the labor situation over frequently in the plant, to your knowledge?—A. No; I haven't heard it, because so far as my time spent in the plant, whenever I am in the plant, I don't hear that kind of talk. I don't hear it from anybody.

Mr. GARBER. Do you belong to the union?

The WITNESS. No, sir.

By Mr. MOLL:

Q. Your office help is not unionized, is it?—A. No, sir.

Q. Just the plant, just the employees?—A. Yes, sir.

Q. And has there been any conversations, to your knowledge, around the plant about the series of beatings that have occurred?—A. No; not that I know of. I only heard the fellows talking about it when it came out in the paper that time, about those fellows, they committed one thing and another.

Q. Does there seem to be a feeling in the plant that the employees get a going-over occasionally?—A. No; I don't think so, not to my knowledge.

Q. Have you heard that expressed?—A. No, sir; I haven't.

Q. You hear no particular reference to any of these beatings?—A. No; nothing in particular to those; no.

Q. And no reference, conversationally or otherwise, to probably some goon squad loose in the plant?—A. No; I have never heard anything to that effect.

Q. Any supervision or spying on labor activities?—A. No; I don't think supervision is spying on labor activities. It don't look that way to me.

Q. I don't mean as far as the management is concerned?—A. You mean, individual supervisor or foreman?

Q. I mean in the way of labor spying?—A. No, I haven't even heard it mentioned in that respect. Everybody in the plant seems to get along well, as far as I know, and there don't seem to be any hard feelings whatsoever.

Q. Did you sense any subversive activities going on during wartime?—A. What do you mean by that?

Q. Well, Communistic.

Mr. GARBER. Trotskyites?

The WITNESS. No, I never have.

By Mr. MOLL:

Q. Un-American activities, infiltration they call it, boring from within?—A. No, sir. I don't think so. I never heard anything I could have the slightest thought in my mind to that effect. During the war, anything we tried, as far as salvage material, keeping it segregated, and getting different metals in their respective places, one thing and another, we never had any trouble that way whatever.

Q. You didn't have any bottleneck on materials that you know of?—A. No. I wasn't in that end of it.

Q. But you didn't notice any un-American activities during the war?—A. No, none whatever.

Q. Do you feel there was an unusual number of labor agitators in the plant among the union people?—A. No, I don't think there is an unusual number. There's always these certain stewards, one thing and another, that are looking for every little detail they can make a grievance out of. There are always those fellows. There is to this day. They are ready to turn a grievance in on a department at the drop of a hat, and they still do that.

Q. Well, has that been noticeable?—A. No. It so happens to be, I had a man like that in my department. The way it is noticeable, I had one chief steward in this particular department, and we did the same type of work and everything, and everything was going along fine, and this steward left, and we got another steward, and the second steward, he watched for every little thing he could find to make a grievance out of it.

Q. Is he still there, that steward?—A. Yes, he's still there. He's changed his ways. He's all right. Everything is running all right. It's one of those things. He still does the same thing. If a little thing comes up he calls your attention to it, but it isn't bad any more. It's working nice now, everything under control.

Mr. GARBER. What's that steward's name?

The WITNESS. He's the steward out at the Outer Drive Plant. I don't know just what his name is. I don't remember it. I can get it.

Mr. GARBER. Does there seem to be any friendly relationship exist between Renda and the stewards in the plant?

The WITNESS. That I couldn't say, because I have never seen it myself. I have never seen him in contact with any steward or anything like that.

Mr. GARBER. You don't know what his relationship is with the stewards?

The WITNESS. No, I do not.

Mr. GARBER. It could be friendly or unfriendly.

The WITNESS. It could, as far as I know. I have never seen any conversation between them myself. I have seen them in the plant, but around our department, that's where he is. When he comes in, he wants to know how everything is going, if things are moving, not tied up by his trucks.

Mr. GARBER. Did you ever hear of him backing up his truck and handing out cartons of cigarettes to the stewards when cigarettes were hard to get?

The WITNESS. I never seen it.

Mr. GARBER. Have you every heard it?

The WITNESS. Yes.

Mr. GARBER. Where did you hear that?

The WITNESS. Through Mr. Herbert. When this happened, Mr. Renda was brought up to Mr. Taylor's office, and had supposedly been seen taking cigarettes into the plant. That's as far as I know about it at the time.

Mr. GARBER. Do you know whether or not he did go before Mr. Taylor?

The WITNESS. Yes, Mr. Herbert told me he did go before Mr. Taylor.

Mr. GARBER. You got that information from Mr. Herbert?

The WITNESS. Yes, I did. I wasn't in on that part of it at all.

Mr. GARBER. Did you ever hear anything about Ku Klux Klan activities out there with Mr. Taylor?

THE WITNESS. No, sir; I never did. I have only had the occasion to meet Mr. Taylor personally about six times since I have been on this job, and each time I met him everything has been all right, as far as I know. I always was under the impression he was a pretty hard man to get along with, from what I heard from different fellows. Some say this, some say that, a pretty tough guy to get along with, but I haven't had any trouble.

By MR. MOLL:

Q. Now, are the records in the salvage department intact?—A. Yes, sir; to the best of my knowledge, they are.

Q. As far as you know, the bids taken in the past are still part of the files?—A. Yes, sir; they are.

Q. Correspondence? A. Yes, sir.

Q. Concerning those bids. They are not periodically cleaned out?—A. No, sir.

Q. You would say any records that were there as of January 1, 1945, are still there?—A. Yes, sir.

Q. Salvage records?—A. Yes, sir.

Q. Records, correspondence, bids, and so forth?—A. Yes, everything, just about everything is there. I would say everything is there.

Q. There's been no occasion to houseclean?—A. No.

THE COURT. Do you know how Renda pays for that scrap that he gets, I mean the amount of the check he gives the company?

THE WITNESS. No, sir; I do not.

THE COURT. That doesn't go through your hands?

THE WITNESS. No. We bill the material, what we call on our shipping instructions. It goes out the billing office, is billed from the billing office, a copy of the bill goes to the invoice department, and the invoice department invoices Renda, and he pays his bill according to whatever the statements are that they send.

MR. GARBER. Does he pay that once a month?

THE WITNESS. Yes, I believe that's the way.

MR. GARBER. Does he get any percentage off for paying cash, five, ten, two percent?

THE WITNESS. What they do on that angle, I don't know. I have never checked into that, because I have no occasion to do so.

THE COURT. Well, the first month he started to operate, that would be the month of April.

MR. GARBER. 1945.

THE COURT. 1945.

THE WITNESS. Along in there; yes.

THE COURT. Now, the Woodmere was taking some of the scrap before that time?

THE WITNESS. Woodmere was moving the scrap before Renda came in, I remember that.

THE COURT. Continental was moving some other?

THE WITNESS. Continental was moving metal out.

THE COURT. Continental continued down through the period, always moved it?

THE WITNESS. Yes, they have.

THE COURT. You don't know what Renda's deal is with Continental and Woodmere, do you?

THE WITNESS. No, sir; I do not.

THE COURT. You don't know whether or not the money he paid Briggs for April 1945 came, in the first place, from the money he received from Continental or Woodmere or his deal with them, do you?

THE WITNESS. You mean—

THE COURT. In other words, do you know whether Renda had any capital to start out with?

THE WITNESS. I couldn't say that.

THE COURT. Or had to wait until he sold the scrap to Woodmere and Continental to pay Briggs?

THE WITNESS. That I don't know.

THE COURT. You don't know what his credit was, if any, with Briggs the first month?

THE WITNESS. I don't know.

MR. GARBER. Who hauls the waste paper out there now?

THE WITNESS. Waste paper is shipped out in carload lots. He gives us the destination on it and we bill it accordingly.

MR. GARBER. Who do you bill it out to?

THE WITNESS. Consolidated Paper is the one now.

Mr. GARBER. Where are they located?

The WITNESS. Here in Michigan.

The COURT. Monroe?

The WITNESS. Yes.

Mr. GARBER. You load it on the car and he tells you where to send it?

The WITNESS. Yes, gives us the destination.

Mr. GARBER. You get paid for loading it?

The WITNESS. Yes; we get paid \$1 a ton extra for our paper.

Mr. GARBER. He pays \$1 extra for loading it?

The WITNESS. Loading it in the car; yes.

Mr. GARBER. Can you do it for \$1 a ton and not lose money?

The WITNESS. You will lose some money; yes.

Mr. GARBER. When did that order come through?

The WITNESS. At the same time, in the beginning, right from the very first.

Mr. GARBER. Who gave that order you were to load it?

The WITNESS. Mr. Cleary.

Mr. GARBER. Mr. Cleary told you you were to load his paper?

The WITNESS. Yes, he told Mr. Herbert.

Mr. GARBER. Before the coming of Renda, who loaded it on the cars?

The WITNESS. We didn't load it on cars. It went out by truck.

Mr. GARBER. Did they load it themselves?

The WITNESS. The vendor, if necessary, would come in every day with his own truck, driver, and helper, and he would load it on his truck. We would give him a hand with it, help him lift the bales up on the truck.

Mr. GARBER. You have much more responsibility with the paper now than you had under the old deal?

The WITNESS. Yes.

Mr. GARBER. I haven't anything further.

Mr. MOLL. I guess that's all.

Mr. GARBER. You understand, for your own benefit, if they ask you about anything, you were sworn to secrecy. The less you say to anyone about this, the better all the way around. You still have a good job, and this is a confidential hearing, and we will keep it that way, and advise you to keep it that way, too.

The WITNESS. I very much want it to be that way.

The COURT. They won't get it.

The WITNESS. Briggs Manufacturing?

The COURT. Briggs Manufacturing. This is secret. If someone tells you they got it—there might be a piece in the paper some day, I don't know, but you can rest assured the testimony you give here is absolutely secret. Now, you keep your mouth shut, too.

The WITNESS. I have forgotten anything I talked about.

Mr. GARBER. You have the alibi, perfectly legitimate excuse; you have taken an oath of secrecy, and will be in trouble if you talk.

The WITNESS. Like Mr. Convery, Mr. Blackwood's assistant—Mr. Blackwood is in England today—I told him I was going down there, and they have surmised it is in regard to Renda.

Mr. GARBER. What was said that makes you think that?

The WITNESS. Well, they figured that's what it would be; there's nothing else.

The COURT. In other words, a big plant like Briggs, with thousands of employees and thousands and thousands of problems that might come up, Blackwood hit on one point.

Mr. MOLL. Convery.

The WITNESS. Excuse me just a moment. Mr. Convery, he doesn't know very much about this Renda deal; and when I told him where I had to go, he said, "Gee, whiz, what do you think this is all about?" I said, "Well, there could be only one thing I could think about." He said, "Is that the scrap deal?" I said, "Yes; the Renda deal." He said, "Probably it is that, then."

The COURT. What would make you think that?

The WITNESS. Well, I don't think they should be doing business the way they are. There must be a reason for it, or they wouldn't do business that way.

The COURT. Your own private opinion is there is a reason.

The WITNESS. Yes; I stated that before; I thought there was a reason somewhere up the line, somewhere, but where I couldn't say or for what reason.

Mr. MOLL. Will you give us the name of your assistant in your office?

The WITNESS. Mr. Bonnington, James.

Mr. MOLL. How do you spell that?

The WITNESS. B-o-n-n-i-n-g-t-o-n.

Mr. MOLL. Where does he live?

The WITNESS. He lives on Sorrento. I haven't got his address with me. It's on Sorrento.

Mr. MOLL. Is there anyone else in the office?

The WITNESS. Yes. I have a fellow by the name of Joe Rhodes, a fellow that came back from service. This all happened on the 7th of January, when I took over this job; and Miss Rutter, she had to leave the same time Mr. Herbert did; and Bonnington—in fact, he came home a few days before that from the service, and Saturday before that he stopped over to my place to pay me a visit, and he was on his terminal leave, and it expired on the 7th, as far as that goes; and when this all happened I called him up and asked him if he would take this job over because he was the logical man for it. He was a clerk in our office for three or four years before that, and he was willing to take it. That's how he came back. The next day, I believe it was, and Rhodes came back some time the first part of March, and Rhodes was home on leave as well, and then he had to go back to camp and get discharged.

Mr. MOLL. They are in your office since January and March of 1945?

The WITNESS. 1946.

Mr. MOLL. 1946, respectively.

The WITNESS. Yes, sir.

Mr. MOLL. Anybody else?

The WITNESS. No, sir.

Mr. MOLL. And the records we have spoken of are right in the Salvage Department?

The WITNESS. Yes, they are.

The COURT. Well, you may be excused at this time. We may recall you some time. You are still under subpoena.

The WITNESS. I see. In other words, this subpoena I had yesterday, that holds good for some time to come.

Mr. MOLL. We will give you a call if we want you.

The WITNESS. I have a phone at home as well. Have you that?

The COURT. What's your home phone?

The WITNESS. Pingree 0153.

The COURT. And your office phone and extension?

The WITNESS. Lenox 8700, Extension 269 or 703.

The COURT. All right.

(Witness excused.)

5:45 p. m.

DAVID FREEDMAN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

Q. Will you state your full name, please?—A. David Freedman, F-r-e-e-d-m-a-n.

Q. Where do you live?—A. 19116 Berkley Road.

Q. That's in Detroit?—A. Yes.

Q. And what is your business?—A. Scrap iron and metal.

Q. And under what name do you conduct your business?—A. Woodmere Scrap Iron and Metal Company.

Q. Is that a partnership, corporation?—A. Copartnership.

Q. Consisting of whom?—A. Harry Freedman, Louis Freedman and myself.

Q. Brothers?—A. No; Dad, Brother and myself.

The COURT. Who is Dad.

The WITNESS. Harry is the dad.

By Mr. MOLL:

Q. And what type of metal scrap do you deal in principally?

The WITNESS. All types.

Q. Ferrous, nonferrous and others?—A. Sheet steels and everything.

Q. And you buy from various plants?—A. Plants and peddlers throughout the country.

Q. Have you ever bought any scrap from Briggs Manufacturing?—A. Yes, sir.

Q. Over what period of time?—A. 20 years—close on to 20 years.

Q. And how would you buy scrap from Briggs, on closed, competitive bids?—A. Yes.

Q. And how often would they be requested?—A. At one time it was every three months, and then sometimes they were every six months, and, I believe, in one period there, it was a period of nine months.

Q. And your purchases throughout the years were confined to metal scrap?—  
A. Yes, sheet metal and miscellaneous and all types of metals.

Q. And do you still buy scrap from Briggs?—A. Not directly from Briggs.

Q. When did you cease? When was the last time you had a contract with Briggs?—A. About two years ago, I would say.

Q. Beginning, say—strike that. Ending, say, with the first quarter of 1945?—  
A. I believe it was in—yes, the latter part of 1944 or first quarter of 1945.

Q. Now, prior to that time, so far as you know, the scrap was sold to the highest bidder, is that correct?—A. That's right.

Q. And at the time you lost the contract, had you entered a bid for scrap?—  
A. I did, and was awarded—was notified of it being awarded and cancelled on the following day.

Q. When were you notified that your bid had been accepted?—A. At that time Mr. Herbert was purchasing agent, and one morning he called up and says, "Dave, you will discontinue hauling the scrap out of the Mack plant," and knowing him for so many years, I said, "Well, George, what's the idea? My contract is in for all plants." "Well," he says, "Dave, I can't answer you." So at that, I hung the receiver and jumped in my car and went out there. I said, "George, we have been getting the scrap right along, and when our contract went in it went in for all plants." He said, "That's right. You go on back to your office and let it go a day or two." The following day I had a phone call to discontinue sending all trucks into any of their plants.

Q. From who?—A. From George Herbert, who was at that time purchasing man.

Q. Do you remember the date of that?—A. I don't recall the date.

Q. What is your best judgment?—A. Oh, I would say it was either the last of 1944 or the first quarter of 1945. I wouldn't have no trouble, I don't think, looking it up at the office.

Q. You could supply that?—A. Yes, I believe I could supply it very nicely.

Q. You could give us probably the date of your last bid, and the date of your last correspondence?—A. I probably could do that.

Q. And probably the date of your last purchase.—A. Yes, I would say probably so.

Q. And that probably was in March of 1945, wouldn't you say?—A. I think you are right when you say March 1945.

Q. Now, since that time have you bid on any scrap of Briggs Manufacturing?—A. Directly to Briggs?

Q. Yes.—A. Yes. We have purchased several purchases of aluminum and several awards from the Army that was intra Briggs plant, one purchase was made through Chrysler, that was located in the Briggs plant, and that's really about all.

Q. But that's special stuff?—A. That's right, that was all special.

Q. That was a different type of salvage material than you had purchased previously under your contract?—A. That's right. Even when I had a contract, often a special lot would come up.

Q. Now, who has been getting the scrap since your contract was discontinued?—A. Carl Renda Co.

Q. And have you since, we will say, April 1, 1945, bought any scrap through him?—A. We have purchased all the scrap he has gotten out of Briggs in the line of scrap, but not in the line of salvage.

Q. What is the distinction between salvage and scrap?—A. Salvage is a commodity that can be resold, to be reused. Scrap is a commodity that goes right off scrap. Oftentimes a lot of that can be classified salvage, but it goes into scrap.

Q. Now, when you say you bought all the scrap from Renda, you mean all of what type of scrap, ferrous and nonferrous scrap?—A. No, no metals. I am speaking of steel scrap, cast iron borings, dies, and so forth.

Q. You say you are now or not speaking of iron scrap, no metals.

Q. Ferrous?—A. Yes.

Q. And you have bought all of that?—A. Yes, I would say 100% of it. I don't know anybody else hauling any out of there besides our company.

Q. So there will be no misunderstanding, you are now buying from Renda all ferrous material scrap?—A. Coming out of Briggs Manufacturing.

Q. How do you classify ferrous metal scrap?—A. Well, you classify it as cast iron, steel sheet, clippings, busheling, borings, turnings, anything that is an iron content.

Q. And nonferrous scrap?—A. Brass, red brass, yellow brass, red borings, yellow borings, high turn brass, lead, copper, zinc, any commodity of that kind.

Q. Now, how much of the ferrous scrap do you buy from the Renda Company by the month?—A. Quite a tonnage.

Q. What is the tonnage?—A. Mixed involves, I would say, in the neighborhood of around 20,000 or more.

Q. A month?—A. A month. Now, previous to that, up until they got rushed, the way they are producing now, it may have been three to five thousand, but I would say in the last two months, it's run up to 20,000 a month and better.

Q. Now, your books, of course, will disclose all purchases?—A. Always.

Q. And they started presumably back in March or April of 1945?—A. That's right.

Q. Now, did you pay Renda a larger price for the same type of scrap than you have previously paid Briggs?—A. On the prevailing market of the time, yes.

Q. You don't know how your price to Renda compared with Renda's price to Briggs?—A. I do not.

Q. In other words, you were losing money buying from Renda?—A. To start with, yes. When we first started doing business with him, we lost a little more.

Q. I didn't mean to put it that way. It was costing you more to buy from Renda than it had previously cost you to buy from Briggs?—A. Yes.

Q. By what percentage, would you say?—A. Oh, I would say about \$2 a ton spread, about \$2 a ton all the way through.

Q. And in addition to this increased price, you also collected and hauled the scrap, didn't you, from the plants?—A. Yes, we always handled the scrap. I am now speaking of all hauled scrap. I am not speaking of any carload scrap. Occasionally, I would get a chance to buy a few carloads, but I haven't had a chance to buy a carload, oh, ever since the war started. I haven't bought a carload.

The COURT. But before Renda came into the picture, you hauled——

The WITNESS. The same commodity.

The COURT. That scrap in your own trucks to your own refinery, whatever you call it, smelting works.

The WITNESS. Yes, we hauled it.

The COURT. Now, since Renda came into the picture, you are getting the same type from him, but you are doing business directly with Renda, and you are hauling it right from the plant, the same as you formerly did?

The WITNESS. Yes.

The COURT. In your own trucks?

The WITNESS. That's right.

The COURT. And you pay him roughly \$2 per ton?

The WITNESS. I would say somewhere thereabouts.

The COURT. \$2 per ton more than you would if you bought it direct from Briggs?

The WITNESS. That's right.

By Mr. MOLL:

Q. Now, are you still using your own trucks?—A. We are using all our own trucks and four of Renda's trucks.

Q. With your own drivers?—A. With our own drivers. We maintain them, and we allow them, I believe 50 cents a ton extra when we use his trucks.

Mr. GARBNER. Who carries the insurance on the trucks?

The WITNESS. He carried some, but he doesn't carry enough to satisfy our company. We want to be protected.

The COURT. When you first dealt with Renda, he had no trucks.

The WITNESS. He had no trucks.

The COURT. He had no place of business.

The WITNESS. No.

The COURT. He had no telephone listed?

The WITNESS. I believe he had a phone at his home.

The COURT. But no place of business.

The WITNESS. No place of business when he started. His place was at his home.

By Mr. MOLL:

Q. And how many trucks of your own did you use originally to haul Renda's scrap?—A. Oh, we used five or six.

Q. Of your own and they are still being used? A. That's right.

Q. In addition to which Renda has furnished four additional trucks?—A. Four additional trucks.

Q. Which Renda and Company own, but which you operate?—A. That's right.

Q. Is that correct?—A. That's right.

Q. Do you maintain those trucks?—A. Yes, we do.

Q. They are old army trucks, aren't they?—A. They are old army trucks or new. I don't know whether they are new or old, but they are very good conditioned trucks, and the trailers are new, the semis are new.

Q. Bought on some priorities, I suppose, from the government?—A. The trailers, I understand, were bought out on Fort Street from Reid Company, but where the trucks were bought, I don't know.

Q. But they are operated and maintained by your company?—A. That's right.

Q. Although you don't own them?—A. We don't own them.

Q. And they carry Renda's name?—A. That's right.

MR. GARBER. You pay 50 cents a ton for the use of those trucks, is that right?

That's right.

MR. GARBER. And you maintain them, keep them up, and carry part of the insurance?

THE WITNESS. See, he didn't have sufficient insurance on there, satisfactory to our company, and we put more insurance on them.

By Mr. MOLL:

Q. Now, I believe you have already stated that during the years you dealt with Briggs Manufacturing Company, you got contracts for the purchase of scrap as the highest bidder?—A. That's right.

Q. Always as the highest bidder?—A. Yes, no favoritism was shown. I lost it during the period of eighteen years—I lost it for three months, and then I lost it again once for two days.

Q. Now, did you have written contracts with them?—A. Yes, they would mail us in the contract that we were awarded the business.

Q. Were they in written form?—A. In written form.

Q. Or just a memorandum.—A. Written form, letter form.

Q. You have those contracts?—A. Yes.

Q. Do you know of your own knowledge whether Renda and Company submitted a bid on any salvage?—A. I don't know.

Q. Do you know under what terms the contracts for salvage or scrap was awarded to Renda and Company?—A. I don't know, sir.

Q. How were you approached by Renda and Company in the first instance?—A. I wasn't approached, sir. I will give you the whole facts.

Q. All right.—A. When I saw we lost the contract, I immediately got in touch with my brother, and I says, "Louis, it looks like we are through at Briggs." He said, "Dave, did you go up and see Mr. Cleary?" I said, "Yes, I went up to see Mr. Cleary and Mr. Cleary said it was something we couldn't do anything about. He appreciated our service, our payment was prompt, everything was satisfactory, but there was nothing he could tell me." Now, I said, "Louie, I understand that Carl Renda got this business," and through George Herbert, who at that time was salvage man, I got his phone number. And my brother called him, and they made a meeting, and they met, and he awarded us the contract.

THE COURT. Renda?

THE WITNESS. Renda Company did, because we were stuck with all that equipment, because it takes sixty or seventy-thousand dollars worth of equipment to service that company. We were stuck and rather than lose everything, we figured we would work for cartage.

MR. GARBER. Is that when you arrived at \$2 a ton figure profit for Renda?

THE WITNESS. Yes, somewhere between a dollar and a half and two dollars. I don't think it is a flat two dollars.

MR. GARBER. Approximately?

THE WITNESS. Approximately, yes.

MR. GARBER. So when you and your brother went to see Renda, you offered him \$2 a ton more than he paid?

THE WITNESS. For the material.

THE COURT. That's the way you worked it?

THE WITNESS. That's right.

THE COURT. You didn't bid. You just made a straight deal.

THE WITNESS. Just made a straight deal with Carl Renda, and allowed—

THE COURT. "Renda, you are paying so much a ton, I will allow you a differential of \$2 a ton."



The WITNESS. Either \$1.75 or \$2, thereabouts.

The COURT. How many tons a month would you be pulling in dollars? How much would that amount to a month?

The WITNESS. In dollars, I would say we were pulling on the average, oh, about sixty to seventy tons a day on a 24-day month.

The COURT. It would amount to \$120 a day.

The WITNESS. That's right, somewhere thereabouts.

The COURT. \$2,400 a month or thereabouts?

The WITNESS. Somewhere thereabouts. Of course, at first it wasn't that heavy.

The COURT. That's what it is now?

The WITNESS. That's what it is now, right around that figure right now.

By Mr. MOLL:

Q. Well, how did you ascertain what Renda was paying?—A. Renda told us what he was paying them, and then we made a flat offer. My brother made a flat offer.

Q. Was the amount Renda was paying to Briggs commensurate to what you were formerly paying?—A. Right in that figure, it might be a few pennies more, his bid might have bid us out by a few pennies, but it wasn't too great.

Q. But you have never seen any bids by Renda to Briggs?—A. I never seen any bids by anybody. I just put mine in, and they would call me up to say if it was awarded or not to us.

Q. Suffice to say, after the contract was awarded to Renda, you and your brother contacted Renda and made that deal?—A. My brother contacted Renda and made the deal.

Q. Based on what Renda said he was paying plus \$2?—A. That's it, somewhere thereabouts.

Q. And you are doing all the collecting and the hauling?—A. That's right.

Q. And paying them approximately \$2,500 a month now?—A. I would say it's right around—it must around that.

The COURT. In other words, all Renda does is steps around into the Briggs plant, gets his contract, hops around, makes the deal with you, you go in and take the scrap that Renda has got control of.

The WITNESS. That's right.

The COURT. And pay him approximately \$2 per ton?

The WITNESS. That's right.

The COURT. You have all the trouble?

The WITNESS. All the grief and everything, our company has.

The COURT. The only thing, as far as you are concerned, he has four second-hand army trucks you insured, that he's using.

The WITNESS. That's right.

The COURT. What he paid for them you don't know?

The WITNESS. I haven't the slightest idea. All I know, semis cost in the neighborhood of \$2,500, because we bought some ourselves.

By Mr. MOLL:

Q. When did the Renda trucks appear on the scene?—A. About six months ago.

Q. They have been maintained and operated by you under this arrangement you described ever since?—A. That's right.

Q. You also store them at night?—A. That's right.

Mr. GARNER. How much extra does that make it when you pay for using those trucks at 50 cents a ton?

The WITNESS. If I could get another fleet of trucks and pay 50 cents a ton, I would do it. You make money by paying 50 cents a ton.

By Mr. MOLL:

Q. How do you account for this arrangement between Renda and Briggs Manufacturing?—A. I haven't the slightest idea.

Mr. MOLL. Right here, off the record.

(Discussion off the record.)

By Mr. MOLL:

Q. What's your idea why Renda was interjected into the picture?—A. Well, gentlemen, I tell you, I haven't the slightest idea. It was a bombshell to me, and it is to this day. I was never able to find out. I have asked a million questions, but got nowhere in asking them. I know we give them people one

hundred percent service, as we are giving them today. We tried to do everything to please them people. I personally took care of the trucks there myself. Even to this day, I am around them plants at least once or twice a week, finding out whether our trucks are there on time, whether the service is O. K. and everything else.

Q. Well, there must be some reason for it, isn't there?—A. There must be a reason.

Q. Now, what is your best idea what the reason is?—A. Gentlemen, I can't, and honest and sincerely as a man that's been in business 38 years, I can't answer that question. I wish I was in position to.

Q. Well, it is a fair assumption that Renda is not paying Briggs the same amount for scrap that the competitive bidders would pay, isn't that so?—A. I would say that.

Q. He's buying it under a normal competitive bid market?—A. Yes, right now, he is. Of course, let me get you straight on that, so we understand ourselves the way it should be. Up until last week, the markets were froze on everything, and up until last week—I don't know what Renda is paying for the material, but I know our price was the Government allowed spread, and maybe there was one or two items we were buying 50 cents cheaper, but that's something—how we done that, our cranes are in there, and it's fast-moving stuff, and we have got to keep them clear, and that's why we demanded a little bit of a cut on the prices. See, we have a crane operating at 8 Mile Road now. There will be a new crane coming in from Milwaukee, I hope it will be in tomorrow or Saturday. That will be at the Outer Drive plant.

Q. Briggs?—A. Briggs, to keep the service going, because if it is blocked up for a day, it will tie up production. That's why we must buy scrap a little cheaper, because there is no living man can handle that scrap without the proper amount of trucks.

The COURT. All the investment is yours?

The WITNESS. Our company's investment.

Examination by Mr. GARBER:

Q. Do you remember a meeting when you were there with Mr. Clifford Reichman, Mr. George Herbert, yourself, and another gentleman, where this matter was discussed at the Briggs plant one day?—A. The only one that this was discussed, that I can recall, is George Herbert, Clifford Reichman, that's the gentleman that was in here just ahead of me. I don't know whether Timchen was there or not.

Q. Mr. Timchen?—A. Or Nate Silverstine was there or not, and it was a bomb shell to us how he took that contract.

Q. Now, what opinion did you express at that meeting?—A. At that meeting?

Q. Yes.—A. If I recall correctly, all I said there was—pardon my expression, but, "It's a damn shame."

Q. Who else expressed an opinion as to the reason why Mr. Renda got this contract?—A. Well, I believe it was Timchen.

Q. What did he say?—A. I believe he said something on the same order, he can't understand.

Q. Let me refresh your memory just a little bit. Wasn't there something said or some opinion expressed, this had to do with labor activities, union activities?—A. Yes, I believe there was something discussed.

Q. What was said?—A. I believe there was something discussed.

Q. All right. What was discussed?—A. I believe Timchen said, well, if he didn't get the contract, Briggs would go on a strike, and I believe Mr. Herbert said the same thing, and the way they spoke, I said, "Well, if that's it, I am out."

Q. Do you know who any of Mr. Renda's associates are or relatives?—A. Yes, sir. I just can't think—I believe the fellow associated with him is a fellow by the name of Goldstein?

Q. It couldn't be Charlie Margolis or Charlie Martin?—A. Charlie Martin, that's right, Charlie Martin.

Q. Did you ever hear the name Perrone?—A. Yes, I heard the name Perrone, because Perrone delivered us two loads of scrap iron.

Q. Where does Perrone haul scrap from?—A. Detroit Stove Company.

Q. Is it Detroit or Michigan?—A. Out East Jefferson. That's the Michigan.

Q. How long has Perrone been in the scrap business?—A. That I wouldn't know.

Q. How many times have you purchased from him?—A. Twice—two or three loads.

Q. How did that happen?—A. He was short of cast iron, that is, Michigan Stove was short of cast iron, and he called up.

Q. Who did?—A. Perrone.

Q. What's his first name?—A. I don't know his first name.

Q. Is it Sam—Santo or Sam?—A. I think you're right, Sam. I think the check shows Sam Perrone.

Q. And what conversation did you have with him about it?—A. I didn't have the conversation. All I know, there was two loads of cast iron delivered to—his truck came out, picked it up, and took it out to Michigan Stove, and the next I heard of, he brought in two or three loads of heavy clips.

Q. Brought them back in return?—A. We paid him for the clips and he paid us for the cast iron. No; we invoiced Michigan Stove for the cast iron, and paid him for the clips.

Q. So his truck came out and got it?—A. That's right. In fact, Renda's truck came out and got the cast iron. Renda has another truck or two or three.

Q. Renda's truck came out and got the cast iron and delivered it to the Stove Company?—A. Yes.

Q. Whose truck brought back the clips?—A. Renda's truck also.

Q. Do you know of any relationship between Perrone and Renda?—A. Yes; I think his father-in-law.

Q. Do you know how long Sam Perrone has been in the salvage business with Michigan Stove Works?—A. Well, I understand he has been there quite a few years, although I never purchased anything from him. In fact, we used to have that account ourselves.

Q. When?—A. We had that account about 18 years ago.

Q. Who took it away?—A. I didn't pay any attention.

Q. Was it suddenly, like this?—A. Just like this, the same order.

Q. So you had the Michigan Stove contract eighteen years ago and lost it suddenly just like you did with the Briggs?—A. That's right.

Q. And Renda's truck delivered you some of these castings from Michigan Stove out to your place?—A. No; picked castings up at our place and delivered them to Michigan Stove, but brought out two or three loads of heavy stampings to our place, but Mr. Perrone collected for the scrap.

Q. Mr. Perrone did?—A. Yes.

Q. But you billed Michigan Stove Company for the castings?—A. That's right.

Q. They paid you?—A. They did; I imagine so.

Q. Who contacted you for the castings, Mr. Perrone himself, or Michigan Stove Company?—A. I believe Mr. Perrone contacted my brother.

The COURT. The drivers of those Perrone trucks in that instance were not your drivers?

The WITNESS. No; he has some drivers—one or two, I don't know.

The COURT. When did that transaction take place?

The WITNESS. Just about fifteen days ago he brought in one load of clips.

The COURT. Just recently?

The WITNESS. Just recently.

By Mr. GARBER:

Q. But you have never had any business dealings in the scrap business with Mr. Perrone out at Michigan Stove Works?—A. No.

Q. Outside what you just told us?—A. That's right. When I lost that account, I didn't care about it, just let it go.

Q. But it stopped all of a sudden?—A. All of a sudden, overnight.

Q. Now, what else did you hear about what the service or the balances would be for a contract of the size of the salvage contract at Briggs, what service could Renda render the Briggs Manufacturing Company for that contract?—A. What service he could render?

Q. Yes. Why was it given to him?—A. As I said before, I could never figure out.

Q. Do you deal with any other large manufacturing company?—A. Oh, yes.

Q. Did you ever have a thing happen like happened out at Briggs?—A. Never before.

Q. Do you know any contract that existed in one of the large manufacturing companies, where one man is given all the scrap as Renda was?—A. I have just lost a big account, the Diesel account. I don't know why. The service was 100%. I don't know why.

Q. Who is hauling that?—A. Some people by the name of Siegel.

Q. They are legitimate?—A. Been in business a good many years.

Q. Not a little mushroom company that came along and took it away from you?—A. Oh, no; they are a good, reputable concern.

Q. But did you ever hear of the Renda Company in business before he appeared out at Briggs and took over?—A. I never heard of him.

Q. Do you know him now?—A. Yes.

Q. Had you ever met him before?—A. Before we took the contract?

Q. Before you went out and had the contract?—A. Never.

Q. How old is he?—A. I imagine 29 to 32.

Q. A young fellow?—A. A young fellow, that's right.

Q. Does he seem to have any background or knowledge of the scrap business?—A. Well, he has acquired considerable.

Q. I am talking about at the time.—A. At the time, I don't think he had too much knowledge.

Q. Did Charlie Martin have extended knowledge of the scrap-iron business?—A. I understand Charlie Martin's father was in the scrap-iron business, but I never knew him.

Q. Did you ever know a man by the name of Margolis who run a store?—A. That was his father.

Q. He was in the grocery business.—A. Later years he was in the grocery business on Antoine Sreet. From what I learn, he also had a junk shop. I personally never knew the man. I heard of him.

Q. Is Charlie Martin a lawyer?—A. That I wouldn't know. I only met Charlie Martin three different times.

Q. How old a man is Charlie Martin?—A. Maybe 35.

Q. A little older than Renda?—A. Yes; I would say a little older than Renda.

Q. How big a yard does Mr. Renda have now?—A. I don't know as though he has a yard.

Q. You don't know he has a yard?—A. No; I never heard of it.

Q. Do you know of any other assets he has outside these trucks?—A. I don't know of any. I know he sure doesn't have no cranes or anything like that.

Q. He doesn't have the customary equipment that goes with the business, cranes, trucks?—A. Trailers, shears, cutting torches, drops, whatever is necessary, balers, and stuff of that nature.

Q. He is entirely unequipped to handle a contract the size of the Briggs Company?—A. I would say, unless he draws it into somebody else's yards with his trucks, and that's what he started to do.

Mr. GARBNER. Is there anything further?

Mr. MOLL. I don't think so.

Mr. GARBNER. You can't help us as to the reason why Renda stepped in right in front of you old-timers and took the deal away from you?

The WITNESS. It was like a bombshell.

Mr. GARBNER. What did you learn since?

The WITNESS. I haven't learned anything. I have asked, asked, asked, and never been able to find out anything.

Mr. MOLL. What's your guess? You didn't fall off the Christmas tree yesterday. What do you think?

The WITNESS. I don't know what to think. I don't know why we lost that contract.

Mr. MOLL. What service are they performing for Briggs Manufacturing?

The WITNESS. Well, they are taking all the paper, they are taking all the metal—

Mr. MOLL. Yes, but what are they giving them in addition?

The WITNESS. That I don't know. I never heard of anything they have given them.

Mr. MOLL. Have you ever heard they have taken any interest in their labor affairs?

The WITNESS. Only what was said on the first or second day, when I lost the contract, and Mr. Timchen was there, and I think—I am quite sure he was there—George Herbert and Mr. Reichman, and I don't know whether Nate Silverstine was there or not, because Nate was there quite a bit. In fact, Nate Silverstine was there every noon hour for years, years, and years.

Mr. MOLL. Who would know the answer? Would Nate Silverstine know it?

The WITNESS. I don't know.

Mr. MOLL. Would Charlie Martin know it?

The WITNESS. I don't know what service they are rendering. After all, that's a pretty big contract.

Mr. MOLL. It is for a man with no equipment.

THE WITNESS. It even is for a man with equipment, and that's how we first got the contract, because we had the equipment to take care of it, and that's why I didn't want to lose it. That's why I paid him a royalty, so we wouldn't have to tie our equipment up and lose the money. It's better to keep equipment working and take a little less.

MR. MOLL. When you mentioned that royalty, you mean that \$2 a ton, and still do all the work?

THE WITNESS. We still do all the work, but we still are making a profit.

MR. MOLL. But you would have \$2 a ton more, if you hadn't had to pay that?

THE WITNESS. Yes, and wouldn't have to work ourselves the way we are working. We are working 100% day and night to keep going.

MR. MOLL. When you pay for this, you send your check to Renda?

THE WITNESS. Renda Company, send it twice a month.

MR. MOLL. You don't know how Renda pays Briggs, or what he pays them?

THE WITNESS. No. All I know, we get a receipt for every load from Briggs Manufacturing, and the heading is "Renda Company," and our driver brings that shipper with him on every load.

MR. MOLL. And you don't appear in the picture at all?

THE WITNESS. We don't appear in the picture at all.

MR. MOLL. Although you are getting the same materials you have been getting the last 17 or 18 years?

THE WITNESS. That's right.

THE COURT. Have you a contract with Renda?

THE WITNESS. Do we have a contract with Renda?

THE COURT. A written contract.

THE WITNESS. Yes.

THE COURT. But you have never seen his contract with Briggs, if he has one?

THE WITNESS. No.

MR. GARBER. Who signs his contract?

THE WITNESS. My brother, Lou.

MR. GARBER. But he signs for the Renda Company?

THE WITNESS. I never paid any attention to it.

MR. GARBER. You're a good businessman. Is there more than one signature on there?

THE WITNESS. To be very honest, I never even looked at the contract to see who did sign it.

MR. GARBER. Do you know whether Renda Company is a corporation or not?

THE WITNESS. That I don't even know that.

THE COURT. Is there anything further?

MR. GARBER. No.

THE COURT. All right.

MR. GARBER. Now, everything you have told us here is confidential in this room, I would advise you to keep it confidential, after you go out of here.

THE WITNESS. I definitely will, sirs. I would like to make this apology. If I was a little slow or anything, I want you to know the reason for it. My skull was fractured last year, and it has a tendency to catch me once in a while.

THE COURT. An automobile accident?

THE WITNESS. No. I was hit over the head by one of my men.

MR. GARBER. We don't assume you are holding anything back.

(Witness excused.)

---

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, November 21st, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

11:30 a. m.

NATHAN SILVERSTINE, having been by the Court previously duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. Nathan Silverstine.

The COURT. You have been sworn?

The WITNESS. Yes, sir; by you.

The COURT. You are under subpoena. Where do you live?

The WITNESS. 237 Kenwood Court, Grosse Pointe Farms.

By Mr. GARBER:

Q. How old are you?—A. I am 56 years old.

Q. Where were you born?—A. New York City.

Q. How long have you been in Detroit?—A. About since 1912.

Q. Were you ever employed as manager or superintendent of Briggs Manufacturing Company?—A. Yes, sir.

Q. When were you first employed?—A. 1912.

Q. And how long did you work for the Briggs Manufacturing Company?—A. Till 1931, I think.

The COURT. Since you came here in 1912, and you got that job in 1912, will you tell us how you got it? What was your experience ahead of that?

The WITNESS. My experience ahead of that, in New York City, I grew up on the East Side, my mother was a widow at seven and I worked from then on. That's all.

The COURT. You were born when?

The WITNESS. 1889.

The COURT. 1889?

The WITNESS. Yes, sir.

The COURT. And you came here in 1912?

The WITNESS. Yes.

The COURT. In the intervening years, you were brought up the hard way in New York City?

The WITNESS. That's it.

By Mr. GARBER:

Q. How far in school did you go?—A. The second year in college.

Q. What was your position with the Briggs from 1912 to 1931?—A. I was pushing a truck, in the receiving room, unloading bodies, manual labor.

Q. Is that as far as you progressed?—A. When I ended at Briggs I was manufacturing manager of all plants.

The COURT. What salary?

The WITNESS. At about \$30,000 a year.

By Mr. GARBER:

Q. And, of course, during that time you became pretty well acquainted with Mr. Briggs, did you?—A. Yes, I did.

Q. And other men who were holding responsible positions with Briggs Manufacturing?—A. Naturally, naturally.

Q. And you resigned in 1931, did you?—A. I was fired.

Q. You were fired?—A. Yes.

The COURT. Do you mind telling us what for?

The WITNESS. I didn't approve of Mr. Hund's, who was then vice president in charge, method of handling labor, and I didn't approve of his methods throughout the organization, so we parted company.

The COURT. Mr. Hund?

The WITNESS. Henry Hund. He is now vice president or president of Reo.

The COURT. He was at that time—

The WITNESS. Vice president—it might be president, and W. O. was chairman of the Board.

By Mr. GARBER:

Q. Since 1931—A. I have been in business myself.

Q. In what business?—A. Machinery and supplies, based on my experience and knowledge I had learned—machinery and supplies, helping set up new businesses, got them going from my knowledge of production.

Q. Do you deal in used machinery?—A. And new machinery.

Q. And you deal also in scrap of any kind?—A. Yes, I do.

Q. What kind of scrap do you deal in?—A. I buy carloads only.

The COURT. Are you a manufacturer's agent?

The WITNESS. For a couple of small items, it doesn't mean much.

By Mr. GARBER:

Q. Are you also a broker, so-called, of scrap material?—A. No; but I have connections with brokers.

Q. But you yourself are not a broker?—A. That's right.

Q. Were you buying any scrap over materials from the Briggs Company?—A. I still buy it.

Q. And how long have you been buying from them?—A. I would say, about 1933 on, 1933, 1934. I also buy from other plants in town.

Q. And in the last two or three years, what type material have you been buying from Briggs?—A. Mostly Government termination material, but on a selling bid basis from Briggs and the Government.

Q. Do you buy any other materials that may belong to the Briggs themselves?—A. Yes.

Q. What do you buy from Briggs?—A. Machinery.

Q. That's used machinery?—A. Used machinery, on a bid basis, and some scrap.

Q. Some scrap?—A. Yes.

Q. What type of scrap do you buy?—A. Scrap, mostly of nut production scrap. I buy maintenance scrap, on which the value is over and above scrap purposes, which can be claimed as scrap.

Q. That's what is called salvage?—A. No. Salvage is a different item entirely. I will come to salvage.

Q. Do you buy any salvage?—A. I do; yes.

Q. What does that consist of?—A. Salvage, consisting mostly of materials—something that can be made over; in other words, you can salvage something out of.

Q. Or can be cleaned up, remodeled, or reused?—A. Not when it comes back to basic salvage. You buy mixed items. There may be a demand for a motor. You take the motor out and sell it separately, or a gear or clutch, or something of that kind.

Q. You also buy what they call hydraulic compressed steel bundles?—A. No, sir. I haven't bought any of that since January of this year.

Q. Did you buy it previously?—A. I did; yes.

Q. Was there any reason why you do not purchase it since January of this year?—A. First, off the record, if you don't mind, and if you want it on the record, I will give it to you in the same language.

The COURT. All right.

(Discussion off the record.)

Mr. GARBER. I don't know as that is necessary to be in the record.

By Mr. GARBER:

Q. Well, now, I take it you are acquainted with Mr. George Herbert?—A. Yes; certainly. I had dealings with him, a lot of them.

Q. And you are also acquainted with Reichman?—A. Yes; the present salvage man.

Q. Yes. Now, do you recall the method that had always been used in the Briggs Manufacturing Company pertaining to steel or salvage or scrap, as to bids up until approximately April 1st of last year?—A. Bundles was never handled by Herbert. They were handled by the upper office.

Q. Were you acquainted with the method by which other salvage was handled?—A. On open bids.

Q. And presumably went to the highest bidder?—A. That's right.

Q. And do you know that system was not carried out, or was that generally the system?—A. Well, I used to get bids on this open stuff, but as I told you before, I never bid on something to be hauled, because you have a truck driver, he is liable to take stuff away, and you are responsible, you get the blame for it, and therefore, I always used to, on bids from Herbert, returned the bid, sorry.

Q. But you would be sent a letter and would send a bid if you cared to?—A. Yes.

Q. That was the system in force under Mr. Herbert for a period of years; is that correct?—A. That's right.

Q. And do you know approximately when the change came about in that system?—A. About a year and a half ago.

Q. Would you say approximately April 1st?—A. I would just say a year and a half ago, as close as I can recollect.

Q. Do you know what that change was?—A. Directly, I don't know. Rumors—do you want them off the record?

Q. No; let's have the rumors.—A. A lot of the boys come to me and said they were not getting the stuff any more, somebody else was getting it.

Q. You knew someone else was getting it?—A. I found out.

Q. Who was it?—A. Renda Company.

Q. Now, you have been in this business, interested in salvage, used machinery, over a period of years. Had you ever heard of Renda Company before?—A. No.

Q. Had anyone you talked to or had a conversation with, known of Renda Company?—A. No.

Q. So it was a new man that suddenly came in?—A. Yes, sir.

Q. Do you know where the Renda Company was located?—A. No.

Q. Did you ever hear of one Charles Martin?—A. I heard of Charles Martin; yes.

Q. What business was Charles Martin in?—A. I never heard of him before.

Q. You never heard of him before either?—A. No.

Q. Until about the time Renda Company came in the picture?—A. Yes.

Q. And do you have any knowledge of approximately the amount of salvage in dollars and cents that's handled by Briggs Manufacturing Company?—A. Now, salvage—

Q. I mean scrap.—A. You mean scrap?

Q. Yes.—A. On scrap—you mean bundles again, or do you mean the—

Q. What is commonly called scrap.—A. That being hauled out by different companies?

Q. Yes.—A. I would say it's about a couple of hundred ton a day.

Q. And that would be considerable—that would have a considerable monetary value?—A. Based on the prices at the time—you know these prices fluctuate.

Q. Based on the prices at the time of the first contract. Under the new inflationary prices, it has a value. Have you ever talked to anyone about why this sudden change took place at Briggs?—A. I asked Herbert some questions, he couldn't tell me anything.

Q. Well, did you talk to anybody else about it?—A. A couple of the boys who were buying the stuff.

Q. Who, for example?—A. Well, I met one in the lobby, that's this man Freedman, and Continental Metal and that's the only two I met that I knew long enough to talk to.

Q. Were you ever in conference at Briggs Manufacturing where you were present, Mr. Temchin, Mr. Reichman, and Mr. Herbert were present, when this was discussed?—A. I don't think Reichman was, but this Continental man was, as I said before. I have talked it over.

Q. What was that conversation?—A. As to why this thing had come through. And what opinions were expressed then?—A. As to the opinions expressed then, it was, how had it come through, and what connection had it had with Renda and Martin, and what the connection would be—see if I can express it so you can get what you are driving at—and who they were, and there was a suggestion of looking them up in the telephone book, which they did.

Q. Did you find anyone?—A. We didn't find Renda. We found his father-in-law.

Q. That was who?—A. Perrone.

Q. Are you acquainted with Mr. Perrone or his activities in any way?—A. No, no way whatsoever.

Q. Did you ever hear of him before?—A. I have investigated him.

Q. What did your investigation disclose?—A. I had a look at the police blotter and FBI blotter.

Q. That shows he has had some difficulty with the police?—A. And our government.

The COURT. Your company, you mean, when you were at Briggs, or your own personal investigation?

The WITNESS. Just when the man came in the picture.

Mr. MOLL. He said our government.

The WITNESS. He's got a Milan record.

By Mr. GARRER:

Q. Now, is that the extent of your investigation?—A. That was enough.



Q. And you stopped there?—A. I stopped there.

Q. From Renda, how did you tie in Perrone?—A. Son-in-law, father-in-law.

Q. How did you know that?—A. By the telephone checkup. All they had to work on that time, as far as Herbert—all he had to work on was the man's address. They called him up and the voice said, "Sam Perrone." That's all.

Q. In other words, he was living at Sam Perrone's?—A. That's right.

Q. Did you ever talk to Mr. Herbert one time when the union advertised they would pay a \$5,000 reward in these beatings and told Mr. Herbert you and he could tell who was to blame for it?—A. I told Herbert that if the—and I may say I can't express it, profanity is out—I told Herbert some fool could earn that \$5,000 if he wanted to live long enough and there might be a supposition then.

Q. What did you have in mind that he could earn that money?—A. As far as supposition—no proof, just theory.

Q. Let's have your thoughts?—A. That Renda and Perrone might have something to do with it.

Q. Did you ever have anyone express that opinion to you, or is that your own opinion?—A. Expressed to me by different people, and I honestly do not recollect who they were. In conversation, as I said before.

Q. But that opinion has been expressed to you that there is a connection between the salvage and the beatings that may have occurred at the Briggs?—A. Yes; and also expressed to me it is a battle between some guy on the take up on the inside and the union fight also.

Q. Explain that a little more.—A. It's been expressed to me that Renda and Perrone might have somebody in there.

Q. Inside the plant?—A. Union official or union head, vice president in charge of some part of the union, who might be in line there.

Q. You mean, there would be a payoff between Renda and Company or Perrone, and some union official in a monetary payoff?—A. There must be.

Q. In other words, that they would be returning some money back to a certain union official?—A. That's right.

Q. And why a muscle consideration to beat somebody up, do you think that's a possibility?—A. Well, I have watched the unions work and they fight amongst themselves, like a bunch of old time longshoremen, and it seems to me that the guys who talks the loudest and do the least work generally rises up to being an official of the union, and uses that union power to do as little work as he can, and will fight the next man to keep that easy job, and after a few beers, they are battling all the time. I have watched it work, watched it from the inception, so whether there's a muscle gang, it's something you fellows will bring out in the long run.

Mr. MOLL. I think what Mr. Garber is trying to bring out is your idea as to whether Renda Company and associates exercise influence over the union by a payoff money, or have a gun squad in there.

The WITNESS. The union itself have a gun squad in the shape of these flying squadrons.

Mr. MOLL. I know that.

The WITNESS. I have had boys that worked for me come to me and give me their problems and say, "We want to be Americans; we can't do it. What are we going to do?" And I have told them, "Wait till there's change. This Americanism will come to the top sometime when you can express yourselves," but, on the other hand, there must be some answer there some place.

By Mr. GARBER:

Q. Are you acquainted with the four or five beatings?—A. I have read about them in the paper.

Q. Does that strike anything in your mind, help you form any opinion of any kind?—A. I have heard the last boy beat up, the recording secretary, is one of the quietest, one of the most even-brained, regular-minded fellows in the union, and I can't figure why he was beaten up. That's this recording secretary that lives over very close to Briggs, in that Parkside settlement there.

Q. Well, what about the other three or four, were they agitators or trouble-makers?—A. I can't tie you down. If what you are after and if what you are after was working out, why the devil they are having them every day? They had two in Hamtramck in the last week.

Q. What do you mean?—A. Strikes. I walked into one myself at 8-Mile. There's been just as many strikes since the inception of this Renda organization as before.

The COURT. In the Briggs?

The WITNESS. That's right. If you check back, check the record of either the CIO, 212, or the Briggs records, you will find just as many petty strikes now as there were before. They're having them every day, a lot of them don't get out in the paper. You will find, I do, with my acquaintance with foremen, they have them, petty sit-downs every now and then.

By Mr. GARBER:

Q. Would you say they are just as numerous as they were before April 1, 1945?—A. Yes, sir; just as numerous. You can check that record back. Even by looking in the old records of the Free Press and News box scores, you can find how many strikes there were. See, they print a record of strikes and a box score in one of the papers. I read it daily.

Q. Well, I am going to confide something to you that is confidential. Supposing it was shown Briggs Manufacturing Company was losing \$14,000 a month under their present set-up with the Renda Company.—A. Yes, sir.

Q. And you, as a man who was in charge of manufacturing at Briggs Manufacturing Company for a number of years, know their hard-headed business methods. Why would Briggs be willing to contract with the Renda Company under a set-up and lose \$14,000 a month?—A. Well, knowing W. O. Briggs himself personally, as I do, and watching him come the hard way, which he did, and watching him fight that everybody got what belonged to him, and he also got what belonged to him, somebody higher up on the stick has taken these goons on to protect himself in these other propositions—I can't conceive the goon-squad proposition labor, but I can conceive somebody higher up on a payoff.

The COURT. You can?

The WITNESS. I can't, knowing Walter O. as I do, I feel that he would not any way enter into one of the grievances to control labor with a goon squad, but there must be somebody who is lazy enough and wants the money bad enough to be on the take some place there.

Mr. MOLL. Well, how do you account for an outlet like Renda getting into the Briggs Manufacturing? What have they got to offer that other salvage purchasers haven't got?

The WITNESS. Well, let's look back and go through the Renda-Perrone history. Have you done that, sir?

By Mr. GARBER:

Q. We know their background.—A. You take that background—I have investigated it. It started right with Michigan Stove down there. I don't know how far you have gone into it, but I have gone back far enough.

The COURT. Tell us about it.

The WITNESS. Go back to their record in Michigan Stove.

The COURT. How far back?

The WITNESS. Just before the conviction. The conviction there was for possessing illegal firearms. They also have a contract, a scrap contract, with Michigan Stove.

The COURT. Yes.

The WITNESS. That's all. They had lockers there, and illegal firearms in their lockers.

Mr. GARBER. Well, what's the answer to that?

The WITNESS. They didn't have any strikes down there.

The COURT. After that?

The WITNESS. But I can't conceive the other angle, because I know something—

The COURT. Who do you think—strike that out. Here's a fellow, Renda, with no visible assets, no experience, under thirty years of age, tying himself with a lawyer, Martin, who may or may not be a lawyer, may or may not be disbarred, he walks into the Briggs plant and can't do business with Herbert. They are in. They get the contract. They have no investment. They have no trucks; they have no cranes; they are between the Briggs Company and the men that formerly had the contracts, and that now continue to get it, and put in all their time and money and trucks to pull the stuff out. Renda gets his take-off. Mr. Garber said that it cost Briggs \$14,000 or \$15,000 a month.

The WITNESS. That's true.

The COURT. What's the answer?

The WITNESS. Either the one you are looking for, or the one I say, somebody on the take-off.

The COURT. We eliminate Walter Briggs. If he doesn't know—he's got all the money he needs—he ought to know. He's in the seventies.

The WITNESS. That's right, sir.

The COURT. He is not a well man?

The WITNESS. That's right, sir.

The COURT. You say he is a hard-hitter, came up the hard way.

The WITNESS. Been straight as a die.

The COURT. We do know he came up the hard way and are interested to know he is straight as a die, from your experience. Now, you were plant manager there for years, from 1912 to 1931, and when you left it, you were fired.

The WITNESS. I was fired; yes, sir.

The COURT. Then you went out in business for yourself.

Mr. GARBER. You were getting \$30,000 a year at that time.

The COURT. All the way from pushing a truck around the place, to general production manager. Well, at the present time, you have Walter Briggs' son-in-law, Dean Robinson, president. He's in there because he's the son-in-law, married the boss' daughter, or something like that, and you have Blackwood, and you have got Fay Taylor, personnel director. Now, you have a little fellow, Reichman, took Herbert's job. Herbert probably owes his discharge to being zealous, loyal, and an American, first, last, and always. If you take Herbert out of the picture, you can delete Reichman. You get Herbert's secretary out of the picture, the same day Herbert was let out.

The WITNESS. And she works for me today.

The COURT. Dead Indians tell not tales. You eliminate from the top bracket Walter Briggs, from what you know about him. Now, things like this don't just happen. They just don't happen, and although you said there are just as many strikes, I think if there are, they are petty, but the big fireworks has been over since April 1945.

The WITNESS. Your Honor, I would rather have you check that. I think it would be better you check that.

The COURT. Either you or we may be mistaken, or we both may be partly right, but assuming that these strikes, outside of petty ones, have been practically eliminated, who was it in charge of that company that's the liaison officer of Renda and Perrone?

The WITNESS. That I couldn't tell you.

Mr. MOLL. Well, what do you think the tie-up is? How would these fellows get in there and get this big volume of business away from a lot of legitimate people, who had it for years on a competitive basis.

The WITNESS. Let me put it this way: They have never taken any business away from me that I had with Briggs.

Mr. MOLL. They have from the others.

The WITNESS. I had an opportunity to do business with these people.

Mr. GARBER. Renda?

The WITNESS. They have called me a number of times, trying to make business appointments. I told them where to go to. I want no part of them at all.

The COURT. Let me get this off the record.

(Discussion off the record.)

Mr. GARBER. Let's get back on the record.

By Mr. GARBER:

Q. Now, we have had a little discussion off the record, here. You have been given some information as to our position and what we may think or not think. Now, can you give us either in the way of hearsay or in the way of your opinions, or has your memory been refreshed of any conversations you may have overheard or may have been between yourself and some other individual that would throw any definite light on this situation.—A. All I know is, Continental called me up and told me they were out of Briggs, and what should they do. I told them, as far as I was concerned, tell them to go—do nothing, that they wouldn't work with them, let the thing simmer out as it should, and then the Continental man, the elderly gentleman in charge of the organization, agreed to work with these boys, furnish the trucks and haul the material away. I had a call from Woodmere to the same effect. I told them the same way, not to tie up with them, let it simmer, but they tied up with them also. I understand this man Renda and Martin walked in with a couple of other boys and told them they owned the Briggs contract and they could handle it any way they wanted; if they wanted to play ball with them, O. K.; if not, they would get somebody else. The damn fools fell over themselves.

Q. Now, you say you were contacted by the Renda Company in an attempt to do some business with you?—A. That's right.

Q. What conversation did you have? How far did that go?—A. Very plain.

Q. What?—A. About three words.

Q. You were not interested?—A. No.

Q. What was said as to what deals they might have in mind? They must have made you some proposition?—A. They didn't have a chance to.

Q. In other words, you just said you weren't interested, and that was that, before you listened to any proposition whatever.—A. I told them I would have no part of it.

Q. Did they contact you more than on one occasion?—A. Twice.

Q. The conversation on both occasions was the same?—A. One was more emphatic than the other one.

The COURT. Of course, Renda and Martin couldn't carry on that work and take away that scrap themselves?

The WITNESS. That's right.

The COURT. And if the Continental and the Waste Paper Company and the Woodmere didn't cooperate, they just wouldn't function?

The WITNESS. Well, you have one scrap concern that was taking the stuff away at your stove works, which isn't Woodmere. They must have a yard to dump it in. Naturally, Woodmere did have.

By Mr. GARBER:

Q. What did you have personally against doing business with Renda?—A. The fact I looked them up and I didn't want to do business with that type. It isn't worth it.

The COURT. In other words, you got Renda's telephone?

The WITNESS. That's right.

The COURT. From George Herbert?

The WITNESS. That's right.

The COURT. When you called up, the fellow on the other end of the line—

The WITNESS. No, I didn't call up. George Herbert.

The COURT. Sam Perrone answered?

The WITNESS. That's right.

The COURT. That tipped you off?

The WITNESS. That's right.

The COURT. You had known of that name?

The WITNESS. That's right.

The COURT. You made inquiries further and satisfied yourself that they were no outfit for you.

The WITNESS. That's right.

The COURT. At that time when you called up or contacted Renda, you already knew of the situation at the Michigan Stove?

The WITNESS. Well, that was public property, newspaper property, quite a while ago.

Mr. GARBER. There is nothing further you can help us with at this time, Mr. Silverstine?

The WITNESS. If I can, I shall.

Mr. GARBER. Right now?

The WITNESS. No; I have given you what I thought would help you, and will be glad if I get anything, to give it to you.

Mr. MOLL. Well, I guess that's all for the time being.

The COURT. Now, of course, you are under oath?

The WITNESS. That's right.

The COURT. And you have taken an oath of secrecy. You won't disclose anything you heard here, or anything you said.

The WITNESS. Not until you tell me I am free to discuss things.

The COURT. Because everything said here is absolutely secret.

The WITNESS. I appreciate that.

The COURT. Even the staff doesn't know it. Well, we are through with Mr. Silverstine?

Mr. MOLL. Yes.

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand-Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Friday, November 22nd, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:10 p. m.

WILLIAM DEAN ROBINSON, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. William Dean Robinson.

Q. Where do you live?—A. 138 Kenwood Road, Grosse Pointe Farms.

Q. You are president of the Briggs Manufacturing Company at the present time?—A. Yes.

Q. How long have you held that position?—A. Since a year ago last month, a year ago October.

Q. Previous to that time, what position did you hold?—A. Executive vice-president and assistant general manager.

Q. How long have you been connected in all with Briggs Manufacturing Company?—A. Since February 27, 1933.

Q. Now, in 1945 did you pass on matters of salvage, that is, in the contracts with the method of disposing of salvage and scrap?—A. I didn't pass on the actual letting of contracts. That was done by our Purchasing Division.

Q. And who was in charge of the Purchasing Division in, we will say, March or April 1945?—A. William J. Cleary.

Q. Since deceased?—A. He died this last year.

Q. And who has that position at the present time?—A. Stanley Cochrane.

Q. And he's carrying on the work formerly handled by Mr. Cleary; is that correct?—A. That's correct.

Q. Are you acquainted with the changes that came about in the latter part of March or first part of April 1945, in the method of the disposal of scrap in the Briggs Manufacturing plant?—A. As far as I know, there was no change in the method of disposal, but there was a change in the people who had the contract on the scrap.

Q. Well, will you describe the method for the first quarter of 1945, how your salvage was sold at that time?

The COURT. You mean scrap?

Mr. GARBER. Scrap and salvage.

The WITNESS. Well, as far as I know, the head of the Salvage Division from time to time would call for bids on scrap, on a basis of thirty days or quarterly, and then when the bids were received they were turned over to the head of the Purchasing Division for final sale.

By Mr. GARBER:

Q. And those contracts and sale were awarded the highest bidder?—A. I would say in most cases, not always.

Q. That would be the general rule?—A. That would be the general rule.

Q. Now, was there not a change starting as of the second quarter of 1945?—A. I don't believe so, no.

Q. Well, do you know when the Renda, Carl Renda Company, came into the picture in handling the salvage and scrap or the scrap at the Briggs Manufacturing Company?—A. As I recall, it was somewhere along in April or in May, I believe, of 1945.

Q. And do you know whether or not the Carl Renda Company bid for the materials that were awarded to them?—A. Yes. I am sure they would have to.

Q. And do you know to whom they made their bids?—A. I believe they made their bids to the head of the Salvage Division, who was then a man by the name of Herbert.

Q. Could it have been made to Mr. Cleary?—A. It might have been, I couldn't swear to that.

Q. Had you ever heard of the Carl Renda Company before that time, Mr. Robinson?—A. No, I never did.

Q. And do you know where the Carl Renda Company office was?—A. No, sir.

Q. Do you know whether they had an office?—A. No, sir.

Q. Do you know whether or not they had trucks?—A. I have heard that they rented trucks when they started, that's all I know.

Q. Do you know if they had cranes, any equipment whatsoever, for handling this salvage?—A. No; I do not.

Q. Do you know whether or not they had a telephone?—A. No, sir.

Q. Do you know Charles Martin?—A. No, sir.

Q. Did you ever hear of him?—A. Charles Martin?

Q. Charles Martin: yes, sir.—A. No, sir; I don't place the name.

Q. Did you ever have any conference with either Mr. Renda or Mr. Martin relative to the letting of this contract?—A. The first contact I had with Mr. Renda, and to my knowledge, the only one, was shortly after the change, Mr. Cleary brought him in my office and introduced me to him.

Q. And why was the change?—A. I couldn't tell you exactly why the change was, except for several years previous to the change, or quite a length of time, we had had rumors to the effect there was something wrong in the salvage division, either with our own keymen, or the people we were doing business with, on short weights, and so forth. We had attempted for some time to find out where the discrepancy was, and the rumors persisted for a period of time, and we were dealing solely with government materials, which called for three bids, as you know, and Mr. Cleary decided he would like to make a change.

Q. Did all of the scrap material that was being sold in 1945 come from government material?—A. A very great part of it, because that's all the work we were doing, was government work.

Q. But there was some salvage or scrap that belonged to Briggs, is that correct?—A. That would be correct.

Q. Was there a distinction made between government scrap and Briggs scrap, as to the method of selling in 1945?—A. Not to my knowledge.

Q. Who were some of the people, Mr. Robinson, who had proved unsatisfactory as to short weights, and so forth?—A. We never could definitely prove it.

Q. You never could definitely prove it?—A. No.

Q. And do you know who some of the people who were handling your various scrap—do you know who they were, the name of the company?—A. Well, probably the largest one we had was, I believe, Nathan Silverstine.

Q. Now, he handled this hydraulic pressed steel bundles, did he not?—A. Yes.

Q. And there was a change came about, so far as that is concerned, is that true?—A. There has been. Since then, because of the shortage of steel, we have insisted we return to the mills the scrap metal, scrap steel, in proportion to the tonnage they give us in virgin metal.

Q. So because of their desire to return this scrap, it was returned to the supplier?—A. That's correct.

Q. That's a little different set-up than had been in vogue previously?—A. That's correct.

Q. But as to your scrap metal, do you know the same companies that have always picked up your scrap, ferrous and nonferrous metals, are still picking it up?—A. I couldn't answer that. I don't know.

Q. Do you know whose trucks are hauling your scrap from your company, at the present time, that is, ferrous scrap?—A. I would think that most of them would be the Renda Company.

Q. Well, would it surprise you to learn the same company you sold to for the last twenty years are still hauling metal from your place and using their own cranes?—A. That I couldn't answer, I don't know, but I have seen the Renda trucks coming in and out of our place.

Q. And for how long a period have you seen the Renda trucks coming in and out of your place?—A. I couldn't say how long, but for a period of the last few months anyhow.

Q. Do you know whose drivers drive the Renda trucks?—A. No, sir.

Q. Do you know who maintains them?—A. No.

Q. Do you know who is paying the insurance on them?—A. I wouldn't know. I assume it is the Renda Company. I wouldn't know.

Q. Now, the Renda Company has a contract for what type of scrap from the Briggs Manufacturing Company?—A. Well, I believe it would be—it depends on how the bids were let, but it would be soiled rags, there would be cuttings on cloth, there might be loose steel scrap, there might be filings and clips, and possibly some waste lead and items of that kind.

Q. I see.—A. And even paper.

Q. In your experience in the Briggs, has one contractor or buyer purchased all of the scrap or waste material as is now being done before?—A. I am not positive of that, but I believe Silverstine did for a while.

Q. How many years ago?—A. Well, I couldn't answer that exactly, but Silverstine used to work for us years ago.

Q. Well, he left in 1932, did he not?—A. I am not sure about the year. Sometime just about before I came there—somewhere about that—1932, I am not sure of that.

Q. Are you familiar with the contract you have at the present time with the Renda Company?—A. No, I am not familiar with it.

Q. Did you ever see it?—A. I don't believe so, the last contract.

Q. Do you know when you abandoned selling materials to the highest bidder, as far as salvage is concerned?—A. I don't know that we have.

Q. Do you know when the last bids were received?—A. I would think about three months ago.

Q. Three months ago?—A. I would think so.

Q. You are acquainted with the signature of the late Mr. Cleary?—A. Yes.

Q. Now, I ask you if that is his signature?—A. Yes.

(Thereupon, a document was marked "Grand Jury Exhibit 1" by the Reporter.)

Q. Now, I will show you Grand Jury Exhibit 1, and ask you to examine that to see if that is the contract entered into between your company, the Briggs Manufacturing Company, and the Renda Company.—A. Yes, I would say it is.

Q. That is the contract, and that calls for the sale to the Renda Company of practically all of the waste material, that is, scrap, such as ferrous and non-ferrous metals, papers and rags, and so forth, in the Renda Company.—A. That is correct.

Q. And it is your understanding that in the last three months there has been a request for bids on that material, Mr. Robinson?—A. Well, I would assume that there had been.

Q. Are you acquainted—

(Thereupon, a document was marked "Grand Jury Exhibit 2" by the Reporter.)

Q. I will show you Grand Jury Exhibit 2 and ask you if you are acquainted with this notification?—A. No. I have never seen this before. There is no question it is authentic. It was sent to Blackwood from the head—

Q. Unfortunately, I presented you with a copy of the original, and that is Mr. Cleary's signature, is it not?—A. Yes.

Q. We will cancel that, and I will have this marked. We got hold of the wrong one. Now, I will show you Grand Jury Exhibit 2 and ask you if Mr. Cleary's signature appears on that?—A. That's correct.

Q. And this is a notification to a Mr. Blackwood?—A. That's correct.

Q. And who is Mr. Blackwood?—A. Mr. Blackwood is our assistant treasurer and secretary.

Q. And Mr. Reichman?—A. Reichman is head of the Salvage Department under Blackwood.

Q. And this bears the message, "This contract is to remain in effect until cancelled by either party, with a 30-day notice of such cancellation. In invoicing the various commodities, please arrange to bill at the prices listed hereon."—A. Correct.

Q. So that there was no occasion, after April 23rd of this year for any bids to be taken on any of the material?—A. No, there wouldn't be.

Q. Now, are you also acquainted, Mr. Robinson, with this type of—what is that?—A. Inter-Department communication.

Q. Inter-Department communication, and Mr. C. B. Reichman is the man in charge of salvage?—A. That's correct.

Q. And these other papers included here are notice to a Mr. Bergman—who is he?—A. I couldn't tell you who Bergman is.

Q. So all the prices of the materials are priced effective as of April 10th?—

A. That's correct.

Q. And according to this order signed by Mr. Cleary, they are to remain in effect, isn't that correct?—A. Until 30 days notice has been given of cancellation.

Q. Do you know whether or not any notice has ever been given?—A. No, I do not.

Q. So far as you know, this order and interdepartment communication is still in effect?—That's correct.

Q. So that would relieve the fact or dissipate the fact that any bids had been received on any of this material, is that correct?—A. I would assume so from the paper, but I still think they call for bids occasionally.

Q. Have you ever checked that with Mr. Reichman?—A. No, I have not.

Q. It is a mere assumption on your part which may or may not be true?—A. That's correct.

Q. Do you know how many years, for example, that you have sold your waste paper to the Levine Paper Company, that is, "you," I am talking about Briggs Manufacturing?—A. No, I wouldn't have any idea.

Q. Do you have any idea how many years you have contracted with and sold Woodmere Scrap Metal Company certain ferrous or nonferrous scrap from Briggs?—A. They were there quite a long time. How many years, I couldn't say.

Q. Would it amount to twenty years?—A. I couldn't tell you that.

Q. Would you know how many years you had a contract and had business relations, as far as your scrap was concerned, with the Continental Metal Company?—A. No, sir.

Q. And you are not acquainted with the fact that Continental Metal still removes with their own trucks and by their own crane, all the materials as they have for the last twenty years, only they pay the money to Renda Company instead of directly to Briggs?—A. No, I don't know that.

Mr. MOLL. Woodmere?

Mr. GARBER. Either Woodmere or Continental?

By Mr. GARBER:

Q. Did you know that?—A. No, I didn't know that.

Q. Can you give any explanation why the same people are receiving these materials, yet the Carl Renda Company has come in between the Briggs Manufacturing Company and the people who formerly purchased direct?—A. No, I couldn't give you any reason for it, unless his bid is satisfactory and they still were willing to pay—to buy it from him at a higher price than they paid us.

Q. Why would the Briggs Manufacturing be interested in giving a contract to the Renda Company and have the same materials taken out at a higher price and thus suffer a loss?—A. That I couldn't answer. I don't know.

Q. How old a man is Mr. Renda, would you say?—A. Well, I just saw him once, and I would judge that he was probably about—I would assume about 35 years old.

Q. Could he be younger than that?—A. I couldn't tell.

Q. Did you ever meet Mr. Martin, Charles Martin?—A. I don't know Mr. Martin.

Q. You had no contact with him whatsoever?—A. No, sir.

Q. What is the volume in dollars and cents of the scrap which is sold by the Briggs Manufacturing Company per month or per year?—A. Well, in a normal year, it would run somewhere in the neighborhood of \$100,000 a month.

Q. \$100,000 a month?—A. I would think so.

Q. And did you make any inquiry as to Mr. Renda's background at all in this contract?—A. No, I didn't, because that's handled by our Purchasing Department, and that is Mr. Cleary's job to check their financial responsibility, and whether or not they can handle the job.

Q. Did you know Mr. Renda graduated from Albion College about 1944, just out of college about the time he took this contract over?—A. No, sir.

Q. Did you know he didn't own a truck?—A. No, sir.

Q. Did you know his office was in his hat?—A. No, sir.

Q. Did you know he didn't even have a telephone?—A. No, sir.

Q. Did you know a lot of the correspondence you received from Renda Company comes from a 2-flat on Beaconsfield which is his office?—A. No, sir.

Q. Are you acquainted with the family of Mr. Renda?—A. No, sir.



Q. Was any inquiry ever made as to who he was or where he came from?—A. Not so far as I was concerned, there wasn't. I would think Mr. Cleary would have checked his financial responsibility and his ability to handle the job.

Q. Well, the gentleman who has taken Mr. Cleary's place has not changed this condition, has he? The contract is still in force, is it not?—A. Yes, I believe it is.

Q. Do you know whether—what's his name, Cochrane?—A. Cochrane.

Q. Is Mr. Cochrane the man who has taken Mr. Cleary's place?—A. That's correct.

Q. Have you ever talked to Mr. Cochrane as to where Mr. Renda's place of business is?—No, I haven't.

Q. Have you ever made any investigation into this Renda contract, and why it was given to this young gentleman?—A. No, I have not.

Q. Do you know why the change was made?—A. The only reason that I can give you, as I told you before, that we had had these rumors for a period of time, and Mr. Cleary said he had another source, and he brought this man Renda in, and said he was the man he had selected to do the work.

Q. Do you know whether or not you are losing money each month on the sale of these materials to the Renda Company?—A. No, I would assume we are not, because they are supposed to check with the prices published by the Iron and Steel Institute.

Q. Do you know whether or not it has ever been checked?—A. Whether or not it has been checked, I couldn't definitely say, but that's the way Cleary always functioned.

Q. Who is supposed to check that now?—A. The Purchasing Division.

Q. But you don't know whether you are losing money or making money by this contract with the Renda Company personally?—A. No.

Q. Do your auditors make any check as to whether or not this salvage contract is being handled to the best advantage of the Briggs Manufacturing?—A. Yes, they would.

Q. And who is your auditor?—A. Well, there are any number of auditors.

Q. Who would audit this particular salvage department, if you know?—A. Well, it would come under—theoretically anything that goes into the scrap baler, or is declared scrap, would come under the Cost Department, and they are responsible for setting up our costs of doing business, and that comes under Blackwood.

Q. Have you ever discussed this matter with Mr. Blackwood?—A. Not in detail, no.

Q. Have you ever discussed it at all as to why this Renda contract was introduced into the operation of the salvage?—A. No, sir.

The COURT. When you were advised that there was some discrepancy in weights, and possible dishonesty in the Purchasing Department, or the Scrap Disposal, was there anything in writing of that investigation, reports made by your agents or employees—

The WITNESS. I don't recall of any written reports on it.

The COURT. Because that's the first notice that we had that there was anything the matter there.

The WITNESS. I don't recall any written reports there.

The COURT. Why was Herbert discharged?

The WITNESS. To be perfectly frank with you, we had lost confidence in him, primarily, because of these constant rumors, and then he had some trouble with the girl working in the same office with him. That was the final reason.

By Mr. GARBER:

Q. He was discharged on the same day?—A. I believe it was the same day.

Q. I call your attention to this notation, "Add \$1 per ton for loading in cars." That means the Briggs Manufacturing Company receives an additional \$1 per ton on paper for loading it in cars; is that correct?—A. I would think so.

Q. Do you know whether you can load that for \$1 a ton or not?—A. It would be a pretty close price, all right. It depends on how it is handled entirely.

Q. As a matter of fact, that is a very close price?—A. Yes.

Q. You are apt to lose money on that?—A. Very apt.

Q. What investigation was made as to these different people who had been purchasing this material so many years, as to whether or not they were shorting you on weights?—A. Well, we would occasionally—the plant-protection police would stop a truck that was on the way out, and would take it to a scale and reweigh it, and see that the invoice was properly made out.

Q. Did you still continue to send to those people for bids?—A. I assume we did.

Q. And those bids were still granted to those people?—A. That's right.

Q. There was no action ever taken relative to this shortage?—A. No.

Q. You are not acquainted with the prices you are receiving now for this material, are you?—A. No; I wouldn't know the details of them.

Q. And you don't know what the market price is?—A. No, sir.

Q. Would it surprise you to find you were losing in the neighborhood of \$13,000 to \$14,000 a month on this contract?—A. It would surprise me very much.

Q. Can you give me any reason why this contract is still good, if you are losing that amount?—A. No, sir.

Q. Is there any secret deal relative to the employment of Renda and Company?—A. No, sir.

Q. Is there some other service they render the Briggs Manufacturing Company, except the taking of this scrap away from there, that the Briggs Manufacturing Company is willing to continue with this contract?—A. No, sir.

Q. Are you certain of that?—A. I am positive of that.

The COURT. Do you know Renda's father-in-law?

The WITNESS. I don't know anything about his family.

The COURT. Would you think it was a strange coincidence if Cleary, a hard-headed businessman, who had the handling of the making of this contract with Briggs, that he would look up this man's financial worth, find it zero, look up his experience in the field, and find that zero, find he had no office, no telephone, except the house telephone, was right fresh out of college, walk into a plant like the Briggs Manufacturing Company, and get that contract from Cleary, and then when the men that had been hauling the stuff have been under suspicion or cloud for some time, they still come in and out of the plant with their own equipment, with their own derricks and cranes, and take that stuff out, dispose of it, pay this young guy the price he asks, and he, in turn, has the basic contract with Briggs. Now, all those things could have been ascertained by Cleary. He was an experienced man, wasn't he?

The WITNESS. Correct.

The COURT. Does that seem strange to you?

The WITNESS. It does seem strange.

The COURT. And it is a fact. What is behind it?

The WITNESS. There isn't anything behind it, as far as I know.

The COURT. Let's have the story. We know it pretty good, but we want it for the record. You were born in Detroit, were you?

The WITNESS. Yes, sir.

The COURT. How old are you?

The WITNESS. I am 48.

The COURT. Did you go to college?

The WITNESS. Yes, sir.

The COURT. Where?

The WITNESS. Yale University.

The COURT. What year?

The WITNESS. I graduated in 1921.

By Mr. GARBER:

Q. How well do you know John Fry?—A. I know John for many many years.

Q. Did you ever discuss labor troubles with John Fry?—A. I have in a general way, from time to time.

Q. By the way, you were having a lot of work stoppages and considerable labor difficulties in the early part of 1945 and 1944?—A. No, I wouldn't say as much as normally, in those years.

Q. Would you say you were having more or less labor stoppages or work stoppages in 1946 than you had in 1945?—A. I would say, offhand, we have had more.

Q. Do you have a record of the work stoppages Briggs have had in the year 1946?—A. We keep a constant record of it; yes.

Q. If that is available, you could make a comparison to see?—A. Yes.

Q. Do you also have a record of the duration of the work stoppages?—A. Yes, sir.

Q. So you could tell the number of working hours lost in 1946 as compared with the number of working hours lost in 1945?—A. Yes, sir.

Q. And you keep that up to date, do you?—A. Yes, sir.

Q. And that would be available to the Grand Juror if he requested it?—A. Correct.

Q. So that a comparison of the two years could be made?—A. That's right.

Q. Did you ever hear of the name of Perrone?—A. I have heard of the name.

Q. How did you hear of it?—A. I don't recall. It was in connection with—I am not sure it wasn't in connection with Licavoli.

Q. Did you ever discuss anybody by the name of Perrone with Mr. Fry?—A. No, sir; not to my knowledge.

Q. Did you ever discuss strikebreaking with Mr. Fry?—A. No, sir.

Q. Did you ever discuss, well, shall we say, antilabor subjects with Mr. Fry in any way?—A. Not in any connection with our own business. I have talked to him about the general situation.

Q. Did you ever discuss with Mr. Fry how Michigan Stove Works handles labor difficulties, strikes, and so forth?—A. No. Some years ago I was there when they had some trouble with Matt Smith's outfit, some years ago.

Q. Do you know who took charge of that strike, brought it to more or less of a termination?—A. No; I do not.

Q. Did you hear the name Perrone in connection with that strike?—A. No; I don't believe so. That was many years ago. I don't think so.

Q. Do you know who handles the salvage for Michigan Stove Company?—A. No, I don't; no.

Q. Do you know the relationship between the Perrones and Mr. Renda?—A. I have heard that Perrone is some relation to him.

Q. What relation?—A. I don't know. Uncle, I think.

Q. He is related?—A. So I have heard recently.

The COURT. How recently?

The WITNESS. Oh, I would say some time the last 30 or 40 days.

By Mr. GARBER:

Q. How did that come to your attention within the last month or 40 days?—A. Well, we had on this government material, I think we had FBI men checking the disposal of Government scrap.

Q. They were checking to see if bids were called for on government scrap?—A. That's correct.

Q. Did they check whether Briggs had bids for its scrap?—A. Yes; and this inspector called on me through James Dewey, as a matter of fact, I believe it was that called me, and was talking to this inspector, and they told him this story. That's the first I heard of it. That I think was some one to two months ago.

Q. Then there was a distinction made between the scrap belonging to the Federal Government and the Briggs scrap, according to this contract?—A. So far as the mechanics of handling the scrap, I don't think there was any difference.

Q. You still think they had at least three bids for the Briggs scrap as well as the government scrap?—A. Yes, sir.

Q. You have never checked the records in the salvage department to verify that?—A. No, sir.

Q. And you made no investigation after this was brought to your attention by the federal government about the Perrones and relationship between them and Mr. Renda?—A. No, sir.

Q. And you knew the Renda contract was in full force and effect?—A. That's correct.

Q. Why?—A. Well, why would I check it?

Q. Well, is it the policy of Briggs Manufacturing to sell their scrap to unknown people who come up with rather unsavory connections, and continue to do business with them without an investigation as to whether it was to their advantage or loss, and simply let it ride without any investigation at all, Mr. Robinson?—A. I still don't believe it is at a loss. I don't believe it is. Further than that, on deals of that kind, we have to depend on the head of the division to make the best deal for the company. We can't handle every deal that goes on.

Q. But even though that was brought to your attention, you made no particular investigation, is that correct?—A. I didn't make any particular investigation myself.

Q. Have you requested one be made?—A. I believe the FBI called on Mr. Cleary and everything was in order. He showed them the bids, and I believe he is the last one had contact with the FBI.

Q. But the FBI was interested only in whether bids were received for Government material, not Briggs individually?—A. That would be their primary interest.

Q. So as long as you continued to get bids in the proper order, so far as the Government material is concerned, the FBI wouldn't have any further interest?—A. I wouldn't think so.

Q. What Briggs did with their salvage would be their own business?—A. Yes; it would be.

Mr. MOLL. You might suggest to Mr. Robinson it's been estimated and given to us by employees of the Briggs Manufacturing that the approximate loss resulting from the Renda Company contract is \$14,000 a month.

The WITNESS. I don't believe it.

Mr. MOLL. I merely want no misunderstanding on that. It isn't some figure that we are throwing at you. That is the information that's given to us as a result of some approximation. I mean, there's no bait in the thing.

By Mr. GARBER:

Q. We don't attempt to lead you astray, Mr. Robinson. We are very serious in the questions we are asking, not giving any fictitious figures.—A. I just don't believe it.

Q. In other words, also, it's been shown this \$1 a ton is out of line, that you are losing money on that deal.—A. Well, I wouldn't say that. That probably means—that may be the wholesale price, an additional \$1 a ton is bought by the car.

Q. No, that isn't it according to other testimony. I will be honest with you. The other testimony is they buy that, and certain of it is shipped in carload lots, and when it is shipped in carload lots, it is loaded for \$1 a ton, and you can't load it for \$1 a ton.—A. I am not sure.

Q. We have already had testimony on that. But you can't enlighten us in any way as to why the Renda Company came in and took all of this business.—A. They haven't all the business.

Q. Well, they have the most of the business according to their contract.—A. Well, the big part of the business is steel, the bundled scrap steel.

Q. Well, that has been handled in an entirely different way, and has gone back directly to the supplier.—A. Well, we didn't used to handle it that way.

Q. It did go through a broker before that time?—A. Yes.

Q. Who made 50 cents a ton and eventually found its way back there through the broker, but now it goes direct instead of through the broker.—A. That's correct.

Q. Were you ever informed as to the criminal backgrounds of the Perrones?—No, sir.

Q. Do you know anything about it?—A. No, sir.

Q. And your knowledge is that Renda is a nephew of the Perrones.—A. Some relative.

Q. Did you know that the telephone was being used when this business as being transacted, went into the house of Sam Perrone?—A. No, sir.

Q. At the time that was the telephone number given to Briggs Manufacturing Company in order to correct them relative to your deal?—A. No, I didn't.

The COURT. If you had known that Sam Perrone was the father-in-law of young Renda, and Renda had no experience, no money, no equipment, that Perrone had a criminal background, would that contact have got by you to Renda?

The WITNESS. No, sir; I don't believe it would have.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Do you believe this contract could be cancelled in thirty days?—A. Certainly.

Q. Are you acquainted with any of the beatings that have taken place at Briggs?—A. Just what I have seen in the paper.

Q. Do you know Kenny Morris?—A. I have met him in some of the negotiations for annual contracts.

Q. Just before he was beaten, he wrote a rather scathing article about you in the Voice of 212 Magazine.—A. Well, we get that constantly. I don't know if he did or did not.

Q. He did write about that time and shortly after that was severely beaten.—

A. I don't know the timing of that. I don't know the article.

Q. Well, how many beatings have there been of Briggs employees?—A. It has been going on for years.

Q. Well, how many serious ones?

The COURT. Since March 1945.

The WITNESS. Well, I would say I recall three, I think.

By Mr. GABER:

Q. What three do you recall, Mr. Robinson?—A. Morris, Snowden, and some girl, Dallinger.

Q. Mrs. Dallinger?—A. I think that was her name.

Q. Was she an agitator in the Briggs plant?—A. They have all been bad.

Q. They are known as Trotzkites?—A. I wouldn't know they themselves are, but that's the Mazey clique out there, we know them as Trotzkites.

Q. Do you know the Veda Brothers?—A. I know of them.

Q. Art Veda and Joe?—A. I know of them.

Q. Do you know whether they had severe beatings too?—A. I am not sure. I think there was an article in the paper on one of them.

Q. Do you know what line these beatings take, whether there is any similarity between the way these beatings are carried on?—A. No, except that in newspaper articles, their injuries seemed to be about the same.

Q. The weapons used were about the same?—A. I don't know anything about that.

Q. The place it happened was about the same?—A. I don't know that.

Q. Near their homes or approximately at their homes, is that similar, do you know?—A. That I couldn't tell you.

Q. Do you know how many men beat each one of these individuals?—A. No. I think in the last article, that I saw, I think it said there were three.

Q. It couldn't have been two?—A. I think it said two men and one car.

Q. And they were all beaten near their home?—A. That I couldn't tell you.

Q. Does your company make any investigation of these beatings independently of the police department?—A. Well, we have tried occasionally to do it.

Q. Well, in these ones we named, did your company make any investigation as to who beat them, how they were beaten, or have any reports on their beatings?—A. Well, I imagine they would be in the files of the Labor Relations Division.

Q. Who handles that?—A. Fay Taylor.

Q. How long has Mr. Taylor been with your company?—A. Oh, he's been there a long time. I think he was there before I came there. He was there back about 1930, maybe sooner than that.

Q. He meets with labor, that is, the unions, and also meets with the so-called front office, does he not?—A. That's correct.

Q. Kind of a go-between between the two?—A. That's correct.

Q. He gets his instructions more or less from the front office?—A. So far as policy is concerned.

Q. And he conveys that back and tries to have peaceful relations with the unions, kind of a go-between?—A. That's correct.

Q. And he held that position for many years correct?—A. That's correct.

Q. Would he have any part in the letting of this contract?—A. He couldn't have.

Q. Who would be the people directly responsible for this contract?—A. Well, the letting of the contract would be the purchasing division, unless there's a change in policy, and it would have to come from my office.

Q. Did you order such a change in policy?—A. No, sir.

Q. Well, did anyone else order this change in policy?—A. No, sir; they didn't.

Q. Well, am I to assume Mr. Clearly took this upon himself to change the policy of some 18 to 20 years standing in letting of the sale of scrap of Briggs Manufacturing without your approval?—A. He did get my approval on the change.

Q. What is the reason for your giving approval?—A. Because, as I told you before, the constant rumors we had on the irregularities within the division.

Q. But regardless, that being the reason, the same people are still hauling your scrap?—A. That may be; I don't know that.

Q. The change didn't mean anything, except a third company came into the picture, is that correct?—A. That's correct. It has resulted, of course, in a change in the top of that division.

The COURT. Did you ever find out that there was dishonesty in that department after you made this investigation?

The WITNESS. We never could put our finger on it definitely, but we constantly got rumors.

The COURT. Was there anyone ever discharged for alleged dishonesty in the scrap or salvage department?

The WITNESS. No, there wasn't.

The COURT. Between January 1, 1945, and January 7, 1946, when Herbert and his secretary were let out.

The WITNESS. I don't recall of anybody being discharged.

The COURT. Renda first got into the picture in the latter part of March 1945. The men who were accustomed to bid successfully for that material didn't get it at the beginning of the second quarter. Renda got it. If these men were under suspicion, that is, the purchasers, how do you account for the fact that this young man would come in and take this contract, and then the former buyers continued to take the material, this time not from Briggs, but from young Renda, especially if they were under a cloud of suspicion of some type of seulduggery or fraud.

The WITNESS. I don't know, but, for example, I was thinking recently—the reason why I say I know there were bids within a few months ago, the present purchasing agent came in with some bids that were to his mind out of line on steel, for example, if I remember the figures correctly. One of these outfits came in and bid on some loose scrap about \$75 a ton, if I am not mistaken, which is more than the price of virgin metal, and he said, "what will I do about it?" I said, "let him have it. There's nothing more you can do in your job. It's what you should do." Now, that, I think, was some two or three months ago.

By Mr. GARBER:

Q. What is the price of this loose metal scrap?—A. I couldn't tell you offhand, but this particular matter I remember, because it was pieces taken out of a blanking operation, window opening.

Q. Steel blanks?—A. Steel blanks.

Q. You are still taking bids on those?—A. Oh, yes.

Q. But you don't on any of the things included in that contract?—A. I think we do. I just recall that one because the price was so far out of line on the high side, he said, "What will I do about it." I said, "There is nothing to do about it, let him have it."

The COURT. If you investigated that scrap and salvage department for alleged dishonesty, you no doubt have a file on it.

The WITNESS. On—

The COURT. On that investigation.

The WITNESS. The result of the investigation?

The COURT. Yes.

The WITNESS. I would rather doubt it, because the way the scrap business, as you probably know, is always a headache, and if one fellow loses his bid, he connives some other way. It's been that way for years.

The COURT. So as I get it from you, there's nothing in writing in your files about this investigation?

The WITNESS. I don't believe so.

The COURT. That ultimately led up to, among other things, Herbert's discharge?

The WITNESS. I think there would be a report on Herbert's discharge. I am not quite sure of that, but whether they kept a record of the constant rumors we had about irregularities, I couldn't say, but that would be in the labor relations office.

The COURT. Have you any file coupling Herbert's name with some type of dishonesty relative to that investigation?

The WITNESS. I don't believe it would couple his name directly to it. It would be an accusation or indication that something was wrong in the division.

The COURT. Would you be surprised to know that Cleary, the immediate superior of Herbert, had no inkling of Herbert's impending discharge?

The WITNESS. I would be very much surprised if he didn't know it.

The COURT. Who gave Cleary the "go" sign to sign that contract?

The WITNESS. I did.

The COURT. And you made no investigating as disclosed by your testimony?

The WITNESS. No, sir.

The COURT. And now, from what you have learned here—show him some of those photographs there. I don't suppose that you are accustomed to enter into contractual relations with men unless you have them investigated?

The WITNESS. No, sir; we certainly are not.

By Mr. GARBER:

Q. Do you know this gentleman? [Showing witness picture]—A. No, sir.

Q. You are practically in business with him. Do you know that gentleman? [Showing witness picture]—A. No, sir.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Let me ask you this, Mr. Robinson: If, on rumor, you were willing to give Mr. Cleary orders to go into the Renda Company, and then as a matter of fact, after Mr. George Herbert went down and talked to the FBI about this deal, you were notified about this deal at that time, some months ago, and even before Herbert was discharged, September 1945.—A. I haven't talked to Herbert only once in my life.

Q. Didn't the FBI come up and make some investigations as far back as 1945 about this deal with the Renda Company?—A. I don't know about Renda particularly. It was about scrap on government sales.

Q. Checking to see if you were selling the scrap according to law, that is, getting three bids, and so forth?—A. Correct.

Q. That was the time, away back in September 1945, that you learned about the relationship between Renda and Perrone?—A. No, sir.

Q. Now, you had a month or two that it has been brought to your attention that the Perrones were in this deal or related to Mr. Renda?—A. That's right.

Q. Yet, by rumor, you made the change to the Renda Company, according to your theory, yet you made no investigation whether Renda and Perrone were connected together, is that right?—A. Well, I had no indication he was interested in the business. So far as I know, Renda has done his job, and done it satisfactorily.

Q. Renda, as a matter of fact, spends 10 minutes every other day in your place?—A. His own organization does.

Q. But you haven't investigated that to see whether you had a good contract with Renda?—A. No.

Q. But you say the reason for giving Renda the contract was simply based upon rumor.—A. We were not satisfied with our present sources, that's correct.

The COURT. Mr. Robinson, from what you told us here, and what you have learned here, do you think that dollars dropped on the table has a genuine ring?

The WITNESS. Well, it certainly is bound to sound fishy, it can't help it, but as far as I am concerned, I will tell you definitely, from now on till hell freezes over, we have no connection with Renda and these so-called racketeers, so far as the contract on scrap is concerned, it is an open book. I am not leaning on a dead man, because we were not satisfied with the people buying it, so Mr. Cleary brought Mr. Renda in and said that was the man he had selected for the job. I said, "if you have selected him, it is all right with me."

The COURT. This is off the record.

(Discussion off the record.)

Mr. MOLL. Do you think, Dean, on the other hand, you could shake loose from these birds at this time?

The WITNESS. Sure, we could shake loose.

Mr. MOLL. Without any difficulty?

The WITNESS. Yes, sir.

Mr. MOLL. I think this might be a time for a frank discussion off the record.

(Witness excused.)

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Wednesday, November 27, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:45 P. M.

HENRY J. ROESCH, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you give Miss Cameron your full name?—A. Henry J. Roesch.

Q. Where do you live, Mr. Roesch?—A. 302 Moran Road, Grosse Pointe Farms.

Q. And you are employed by Briggs Manufacturing Company?—A. No.

Q. You have been?—A. I have been, yes.

Q. Yes, and when were you first employed by the Briggs?—A. February of 1933.

Q. And you continued in their employ until what time?—A. October 29, 1946.

Q. And what is your business at the present time?—A. I am connected with the Foremen's League, which is an educational organization, whose prime purpose is the education of foremen in their jobs.

Q. You have been connected with that business subsequent to your leaving the employ of the Briggs?—A. Yes.

Q. What position did you hold with the Briggs?—A. Director of Industrial Relations.

The COURT. It is a coincidence, Dean Robinson went in in 1933 in February. Were you one of his proteges?

The WITNESS. He worked for me for three years.

The COURT. Under you?

The WITNESS. Yes, sir.

The COURT. In what department?

The WITNESS. Industrial Relations Department.

The COURT. So he didn't get you in there. You were ahead of him?

The WITNESS. Well, he followed me by about a week. I didn't know the man from Adam.

The COURT. Your contact was not through or by him?

The WITNESS. No, sir.

By Mr. GARBER:

Q. What is the nature, or was the nature of your work at Briggs?—A. I was responsible for employment for the plan hospitals, for the matrons' service, for the employees' insurance, which covered group insurance, hospitalization insurance and compensation insurance, for safety, that is accident prevention, and for industrial hygiene; that was the prevention of industrial diseases in the plant, and for training of employees and training of supervision. Occasionally I would negotiate with the union on the seniority provisions of our labor contracts, and the reason that I would negotiate with the union on the seniority provisions of our labor contract was because the employment end of the business was responsible for keeping of the records and for the shifting of the people, transferring of the people between plants and departments on the basis of seniority.

The COURT. Let me put a question to you. Where were you born?

The WITNESS. Milwaukee, Wisconsin.

The COURT. When?

The WITNESS. 1896, April 23.

The COURT. Did you go to college?

The WITNESS. Not formally. I had some college work.

The COURT. You went through high school.

The WITNESS. Yes.

The COURT. In Milwaukee?

The WITNESS. Yes.

The COURT. And right there, who are the attorneys for the Briggs Manufacturing Company at present?

The WITNESS. The men I dealt with in the past on problems that had to do with compensation had their office right over in the—is that the Ford Building?

Mr. MOLL. Beaumont, Smith and Harris?

The WITNESS. Kerr, Lacey and Scroggie on Compensation, and Beaumont, Smith and Harris on matters that pertained to—well, frankly, pertaining to industrial disease claims. As far as corporate affairs were concerned—

The COURT. You don't know?



The WITNESS. I don't know.

The COURT. Judge Connolly had that at one time?

The WITNESS. Yes. I think Beaumont—I don't know this—at one time Beaumont, Smith and Harris were the corporate attorneys. Whether they are or not, I don't know.

By Mr. GARBER:

Q. Did you have anything to do with the disposal of salvage at the Briggs Manufacturing Company?—A. No, I did not.

Q. Who was in charge of salvage in 1944 and '45?—A. A man by the name of George Herbert.

Q. Did you know George Herbert?—A. Yes; I knew him.

Q. How long have you known him?—A. About as long as I had been associated with the company.

Q. Did you ever hear any rumors of Mr. Herbert's inefficiency, dishonesty, while at the Briggs Manufacturing?—A. Well, wait a minute. Not so much dishonesty or inefficiency, but conduct—I heard his conduct was not what it should be.

Q. Conduct unbecoming a gentleman?—A. That's right.

Q. I see. And did you ever have a talk with Mr. Herbert relative to the change in the method of handling salvage at the Briggs Manufacturing?—A. I had a talk with Mr. Herbert, I think it was July or August, I am not certain of the time. I could tell if I had my daily journal, which I always kept.

Q. What year?—A. This past year—this year, I should say.

Q. 1946?—A. Yes.

Q. Was that after Mr. Herbert's discharge?—A. That was after Mr. Herbert's discharge.

Q. Do you recall what that conversation was?—A. I might tell you why we had the conversation, to start with also.

Q. All right.—A. It was customary out there, when a supervisor or some fellow was above the rank of a workingman, hourly rate man, if he had any difficulties they used to come to my office, lay the complaint on the desk, and I adjusted many of them. In other words, I was supposed to have the reputation of giving the fellows a square deal, and one day Herbert came into my office, wanted to have a talk with me, and I sat down and he began to tell me he had been discharged, which I didn't know. I had been out of the city at the time it happened. Then he made certain statements about the reason for his discharge, and also told me he thought he had a very bad deal from the company.

Q. What were these statements he gave you as his reasons?—A. Well, his statement was something to this effect, that he was too tough with the new salvage people and—

The COURT. Referring to the Renda Company?

The WITNESS. Yes. I think the fellow's name is Carl Renda or Carol Renda, something like that. He told me about the fact that he wanted his salvage matters handled in a certain way, and they just wouldn't conform, and he got into an argument with them, and he felt that was the reason for his being let out.

By Mr. GARBER:

Q. Did he go into why he got into an argument with them? What did he tell you relative to that?—A. One of the things he told me was the fact he had been accustomed, in dealing with these people, to demand scrap be bundled, the paper or metal scrap be bundled certain ways, and that it be rolled into a boxcar. That was part of the job of the contractor, and this fellow just didn't do it that way, and he just got tough with him. That was the sum and substance of that particular phase of it.

Q. Did he state who Mr. Renda was?—A. He told me—I am going to have to rely on my memory now.

Q. That's all right.—A. He told me—

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. All right. You tell us the rest of the conversation. What did he have to say about who Mr. Renda was?—A. Well, he told me he was connected with some gang in town here.

Q. Did he mention any names?—A. He may have, I couldn't tell you truthfully.

Q. To refresh your memory, do you know if the name Perrone was mentioned?—A. That's right, he mentioned his name.

Q. All right, go ahead.—A. He told me this story, and I felt that the president of the company should know about it, so I went over—

Q. The president of the company at that time being who?—A. Let's see. At that time Robinson was president. I think that was after Brown left, I am sure it was, and I told Mr. Robinson the story that George Herbert told me, and he said, "There's no truth to the thing. Just forget the whole business. There just wasn't any truth to it."

Mr. MOLL. What did Herbert tell you, and what did you relate to Robinson?

The WITNESS. I told Robinson Herbert told me this Renda organization had underbid the other organizations we had prior to the coming of Renda, and if they didn't conform to the general method of disposing or preparing the scrap to ship, and let's see, his statement—I did tell you he had underbid the other fellows, or overbid, or something. In fact, I don't know if he overbid or underbid.

The COURT. Overbid and got the contract.

Mr. MOLL. Underbid.

Mr. GARBER. Underbid.

The WITNESS. I assume he must have overbid, paid more money.

By Mr. GARBER:

Q. Supposing he bid less money, and still got the contract?—A. That wouldn't be kosher. Then he said it was hearsay on his part, he had no facts, that as a result of this contact there would be industrial peace in the company. That's the statement he made.

Mr. MOLL. That's the statement you made to Mr. Dean Robinson, president of the company?

The WITNESS. Yes, sir.

Mr. MOLL. What month of the year did you convey that information to Mr. Robinson?

The WITNESS. The day after—no, the same day Herbert was in my office.

Mr. MOLL. When was that, as near as you can remember.

The COURT. He was let out January 7, 1946?

The WITNESS. Was it as early as that?

Mr. GARBER. Yes, sir.

The WITNESS. 1946?

Mr. GARBER. This year.

The WITNESS. Well, I may be wrong in July or August. It was the day after—in fact, it was the day he came into my office. I said, "I will see what I can do about—"

Mr. GARBER. We haven't established that day yet.

Mr. MOLL. As near as you can fix it.

The WITNESS. This January thing has me thrown in a loop. Whether it was June, July, or August—it was some time this summer.

Mr. MOLL. It was several months ago?

The WITNESS. Oh, yes; several months ago. I would say about 4 months ago, to the best of my recollection now.

Mr. MOLL. You conveyed this information Mr. Herbert told you, to Mr. Robinson. Mr. Robinson said it wasn't true, forget about it?

The WITNESS. That's it.

By Mr. GARBER:

Q. You were still in the employ of Briggs Manufacturing at the time?—A. Yes. Q. Did you, after this conversation with Mr. Robinson and Mr. Herbert, make any investigation or any effort to check at all?—A. No.

Q. Do you know whose equipment is removing the salvage from the Briggs Manufacturing?—A. As far as I know, just from seeing the trucks go back and forth in the plant—what the devil is the name of that outfit? They have or they had the worst bunch of trucks I ever saw in my life.

Q. Could it be Woodmere?—A. Woodmere Scrap & Iron.

Q. Are they still removing the stuff?—A. Yes, they were at that time. Whether they are not now, I don't know.

Q. Do you know whether there was a crane there to help load the scrap?—A. That I couldn't say.

Q. You don't know who owns that?—A. No. I know there's a crane outside the back—no, there isn't—there used to be a crane outside the back of the plant, over at the south side of the plant, they may have a locomotive crane.

Q. For loading scrap?—A. Yes.

Q. Do you know who owned that?—A. No; I couldn't say.

Q. In your employment, in your study of industrial relations, did you ever hear who handles the scrap for the Michigan Stove Works?—A. Not to my knowledge.

Q. Did you ever hear of—did you have any knowledge of strikebreakers operating for the Michigan Stove Works?—A. No, sir.

Q. Did you ever hear the name Perrone in connection with Michigan Stove Works?—A. The only time I heard the name Perrone was the time Herbert talked to me about the situation we just discussed.

Q. And you conveyed the same information to the president of the company, as Mr. Herbert conveyed to you?—A. That's correct.

Mr. MOLL. Why did you go to Robinson with that information?

The WITNESS. Well, I thought it was quite hot, a situation of that kind, a man telling that type of story, and I thought he should know about it.

Mr. MOLL. In what respect did you think it was hot?

The WITNESS. Well, that he was going around making the statements that there was going to be—rather, that the contract was let for less money, and that there was going to be industrial peace in the organization.

Mr. MOLL. Well, you were led to believe, no doubt, by Herbert, this was some kind of a deal to insure industrial peace through the hiring of this Renda outfit?

The WITNESS. That's what he led me to believe, yes.

Mr. MOLL. And behind Renda were a bunch of Italian tough boys?

The WITNESS. That I don't know.

Mr. MOLL. Isn't that the inference you got?

The WITNESS. Yes, perhaps.

The COURT. How did he bring the name into the picture?

The WITNESS. His connection—in other words, he intimated he was connected with the Purple Gang. Is that the point you want cleared up?

The COURT. The Italian mob, a different gang?

The WITNESS. Well, the Purple Gang, he mentioned specifically.

Mr. MOLL. Well, they get blamed for everything.

The WITNESS. Do they? Whether they do or not—

Mr. MOLL. You felt from what Herbert told you, this was not a very savory deal?

The WITNESS. I assumed it wasn't.

Mr. MOLL. It was more or less up your alley, as industrial man?

The WITNESS. It was up to me to inform the man I was working for what he was talking about, and whether it was true or not, I was going to tell him it was going on.

Mr. MOLL. You went into detail with Robinson on it?

The WITNESS. I told him exactly what Herbert told me.

Mr. MOLL. What was his reply, reaction to your story?

The WITNESS. The attitude was simply this: There's no truth to it. It is absolutely unfounded, and just pay no attention.

Mr. MOLL. Did he offer you any explanation as to this Renda contract?

The WITNESS. No. Of course, it was none of my business, because I didn't deal with that end of the business.

Mr. MOLL. Did it appear to him to be news? Was your story news to him? What was his reaction to the whole thing, as you got it?

The WITNESS. Well, I could say this: He listened very attentively, and then he just thought for a minute. Then he said, "Well, there's just absolutely no truth to it." That was the reaction I got.

Mr. MOLL. Did he appear upset at all?

The WITNESS. No, he did not. I can say that. Dean is a pretty good poker player. If he was upset, he didn't show it.

By Mr. GARBER:

Q. But there was no change made in the Renda contract after you talked to Mr. Robinson about it?—A. Frankly, I didn't pay but very little attention, if any, to that phase of the business. It was none of my business. I had no reason to stick my nose in where I didn't belong. As far as I know, they may still have the contract.

Q. Could this have been back in April 1946, rather than June, July, or August?—A. You mean, the day he walked into my office?

Q. Yes.—A. Now, he had been out to California, and he came back from California. Now, if I could tell you when he was in California, that would sort of fix the time.

Q. But you didn't know he had been discharged?—A. No, sir.

Q. Do you know of anybody else who was discharged at the same time?—A. No; I didn't know George was discharged.

Q. But you didn't know he was discharged or the reason for his discharge?—A. No.

Q. Now, do you know whether the Federal Government—A. Oh, yes; I wanted to follow through on that thing.

Q. All right.—A. He also told me at this conversation we had, and this was also part of the story—

Q. You are talking about Mr. Herbert now?—A. Yes—part of the story I conveyed to Mr. Robinson: that the FBI was making an investigation of the disposal of aluminum scrap, and the price of aluminum scrap. That was the statement he made to me. I also informed Mr. Robinson.

Q. Was that the material that belonged to the United States Government, or did it belong to Briggs?—A. That, truthfully, I can't say, whether we bought the material and billed the government, or the government bought the material and shipped it to us.

Q. Do you know whether or not there was a distinction made between the method of selling government scrap and Briggs scrap?—A. I don't know.

Q. You don't know?—A. No.

Q. Do you know anything about these beatings that took place out there?—A. Other than what I read in the newspapers, and the fellows talked about around the plant.

Q. Did you know the Vega boys?—A. Yes, I knew Joe and Art both.

Q. Did you have any trouble with them in your department?—A. No.

Q. Did you know Snowden?—A. Yes.

Q. Did you have any trouble with him?—A. No.

Q. Was he an agitator out there?—A. Well, he was the source of a devil of a lot of trouble out there, yes.

Q. How about this Mrs. Dollinger?—A. I didn't know Mrs. Dollinger at all. I had heard of her.

Q. Did she have a reputation as a troublemaker?—A. She was in trouble around the plant; yes.

Q. How about Kenny Morris? What do you know about him?—A. My connection with Ken Morris—I had quite a bit of it with him the last four or five months I was with the company. He was recording secretary of the union, and came up to a number of meetings, and prior to that he was on the shop committee of the Mack Avenue plant, and I had contacted him several times there, and he also was quite active.

Q. Was he what you would class as a troublemaker?—A. Well, I would say he was back of some of our trouble, yes.

Q. But just before his beating, he had a very unsavory article in the Voice of 212, pertaining to Dean Robinson; did he not?—A. Well, I used to read that periodical. I haven't read it now for several months. Could you refresh my memory as to what article you are talking about?

Q. I think we can.—A. I was on their mailing list. I am not any more.

Q. I will show you this copy of the Voice of Local 212, dated Friday, May 24, 1946. This article here, this which appears on page 3 and the article which appears on page 2, do you recall those articles relative to Mr. Robinson?—

Q. Was that written by him, if you know?—A. Well, it says up here, "Ken Morris, Editor."

Q. Do you remember how long after that article was written before Kenny Morris was beaten?—A. No.

Q. Could you tell whether it was close or not?—A. No; I couldn't.

Q. Do you recall this letter of May 6th that was sent out by the Briggs Manufacturing Company?—A. Yes. It is a photostate of the original.

Q. That's right, and this article that appears in this Friday, May 24th, Voice of Local 212, is an answer to this letter; is that correct?—A. Yes.

Q. Who composed that letter; do you know? Is it your handiwork?—A. No.

Q. It is signed by Dean Robinson; is that correct?—A. Yes.

Q. Were you present at a meeting where Mr. Fay Taylor and Mr. Robinson and others and part of the union officials were present, when exception was taken by Mr. Taylor to this article that appeared in the Voice of 212?—A. No.

Q. You don't recall any such meeting?—A. Not that I can recall. See, again, in union negotiations or in contact with the union other than on seniority provisions of the contract, I had no connection. In fact, there's a procedure kept up in the organization which makes it more or less mandatory on everybody who

deals or is going to deal with the union to deal through the Labor Relations or, as it is called out there, the Personnel Department. That's the source of contact other than the connection I had handling the seniority provisions.

Q. From your position, you had to be fairly neutral as between labor and management; did you not?—A. Yes.

Q. How would you say Mr. Taylor is? Is he neutral, pro- or antilabor?—A. Well, I'll put it this way: He has the company's interests uppermost in his mind all the time. Does that answer you?

Q. Does his company's interests carry over so far that he is a little antilabor?—A. Well, at times, perhaps. At times, yes; I would say he was.

Q. And he is a pretty rugged individual. I mean by that, he goes at things to get his own way pretty well; does he not?—A. Yes.

Mr. MOLL. He's in close contact with the management; isn't he?

The WITNESS. Yes.

The COURT. Would he be a man who would act in order to accomplish his end, get what assistance, aid and comfort he could, from goon squads?

The WITNESS. Well, now, I know the fellow pretty well. I don't think he would make use of it. He may, but I don't think so.

Mr. MOLL. What, in your opinion, would be the motive of the company in entering into this Renda contract in view of Renda's associates and their labor situation?

The WITNESS. Well, do you want me to conjecture a little on this?

Mr. MOLL. Yes, sir. We would like to have your opinion.

The COURT. Off the record.

(Discussion off the record.)

Mr. MOLL. Suffice to say, you have a contract there involving a million and a half dollars of scrap material a year, going to the Renda Company, that were novices in the scrap and salvage game. This company, without any financial or other background, supplanted the old purchasers, who submitted bids over the years, on a competitive basis. The possibility is that the contract with Renda Company costs the Briggs Manufacturing in the neighborhood of \$150,000 a year and upwards.

The COURT. The old vendors are still taking the scrap in from Briggs, but buying it from the middle man rather than Briggs Manufacturing Company?

The WITNESS. Is that the way?

The COURT. At the time they got the contract they had no office, no trucks, no equipment, no telephone. Renda is a son-in-law of Perrone?

The WITNESS. That's the connection?

The COURT. Perrone is a strong man at the Michigan Stove Works.

The WITNESS. What was that?

The COURT. Perrone's got the deal with the Michigan Stove Works. He handles the scrap there.

Mr. GABER. And the strikes.

The WITNESS. That's the setup.

Mr. MOLL. Now, what is the reason for the company entering into that kind of contract with that kind of outfit?

The WITNESS. Well, I will tell you frankly now, if I knew, I would tell you; but I assume, if you are going to enter into a contract that's going to cost you some money, you want some performance for the money. What it is, I don't know. I had no knowledge; I have no knowledge now.

Mr. MOLL. What was the rumor about this thing? There was rumor around the plant and plenty of it—that is, around the officers and around the labor end of the plant—wasn't there?

The WITNESS. The rumor I heard direct was this one Herbert told me about.

Mr. MOLL. That was verified by other rumors that you heard; wasn't it?

The WITNESS. Well, I must have a pretty tough memory or poor memory.

Mr. MOLL. Well, you were about to give us your own conclusions, your own conjecture, when we interrupted you. What were you going to say?

The WITNESS. Well, I said, if that contract is costing the company some money, naturally you would want some performance in order to make it a contract.

Mr. MOLL. What kind of performance?

The WITNESS. Well, it depends on what the objective was. I don't know what the objective was.

Mr. MOLL. What do you think the objective was? What is your conjecture on this? There must be some very good reason for it. Now, what was it, in your opinion?

The WITNESS. Well, I was trying to think that one out from this standpoint: Following through what George Herbert told me, there was going to be industrial peace, then I assume the objective was to have industrial peace; and, if that's the kind of a deal it was, the other fellow was going to deliver. Now, how he was going to deliver, I don't know anything about, not having known anything about it at that time or now.

Mr. MOLL. Well, do you think that objective was achieved?

The WITNESS. I couldn't tell you.

Mr. MOLL. What is your observation on it? Was there any less labor trouble, say, in the last year of your employment with Briggs?

The WITNESS. I was asked that question before we had this hearing here, and I found I was all wrong. I thought we had more now than we did in 1945.

By Mr. GABBER:

Q. Can you give us an explanation of that? Tell us what your thought, your explanation of that was, if it is true, and I assure you it is, there is less labor trouble. You give me an explanation as to why you thought that might be true as to the number of employees—A. I thought, as a result of your explanation, the number of man-hours lost in 1945 would be reflected due to the larger number of employees. We had about 38,000 employees in 1945. Now, I would say—I don't know what it is now, but a couple of months ago we were up around 21,000, so the number of man-hours lost per shutdown would be that much greater, due to the greater number of people employed, and I also said I thought I was personally more aware of it because of shutdowns during the war, because there was that motive, of thinking of getting production when we needed it, and everyone of those shutdowns cut into production that much more, and I was more aware of it. As far as the actual number of hours lost because of slowdowns, strikes, shutdowns, there again Taylor's department kept track of the number of hours, and he would know.

Q. He would be personally responsible for lessening the number of unauthorized strikes and shut-downs? Would that be part of his job?—A. Well, the prime duty of a labor-relations man in an organization is to keep peace in the family.

Q. By hook or crook?—A. Keep peace is the big job. He's got to keep labor satisfied and got to keep management satisfied. That is, after all, what he's getting paid for.

Q. Well, is there anything else you know about that now, after the questions and answers and so forth you have been giving us here for approximately an hour? Has that refreshed your memory? Is there anything none of us have asked you about that situation that you could throw any light on this matter, or feel you would help us?—A. Have you anything in mind? You are closer to the picture than I am. I am an outsider looking in. You are on the inside looking out.

A. Well, the fellow that handled the contracts at that time, of course, he can't testify any more. He isn't here any more.

Q. Mr. Cleary?—A. Yes.

Q. By the way, what's your impression of Mr. Cleary?—A. I knew Bill Cleary 14 years, and he was one of the squarest shooters I ever knew. I have a lot of contact with people on the outside that knew him. Bill was a very fine Christian, raised a wonderful family. He had a fine family and he was always—my knowledge of him, he was always motivated by the highest principles, and in my contact with people on the outside who knew him, dealt with him, Bill had a reputation of integrity beyond reproach.

Q. If Mr. Cleary's name should appear on this contract, do you think he put that on of his own volition, made this deal, or did it on orders from his superiors?—A. If there was anything on the contract absolutely not according to Hoyle, Bill Cleary wouldn't sign the contract of his own volition.

Q. It would have been done on orders from higher up, is that it?—A. I would say that would be the only thing.

Q. Was Mr. Cleary a methodical man? In other words, if he had a deal of some consequence, would he get it over with, or procrastinate, or have the contract laying on his desk two or three months before he did anything about it?—A. There I am at sort of a disadvantage, although I knew Bill personally. There again, my association with him, as far as contracts that pertain to my end of the business, which had to do, for instance, one of the responsibilities was plant feeding, Bill was just like that on it. Now, whether that is true in this case, I wouldn't know.

Q. Well, would it mean anything to you if he had a contract that laid on his desk two or three months, and then he finally signed it, and told his secre-

tary to file it? In other words, it took considerable time. Would that mean anything to you. Would you have any reaction to that?—A. You mean, would it be bothering his conscience, anything like that?

Q. Yes, doing something against his will or——.—A. Well, I would assume he would give it a lot of thought.

Q. But any dealings he had with you, he was rather efficient, took care of it quickly and efficiently?—A. I had a feeding contract here last spring, and we went over that in pretty good shape, although there was another feeding contract that was kicked around for months. That was due to a lot of ramifications that came into it, changes of plans, and so forth, but I never found Bill, as far as my own personal contacts, never found him procrastinating.

The COURT. Were you let out, or did you retire from Briggs?

The WITNESS. I resigned.

The COURT. Voluntarily?

The WITNESS. Yes.

The COURT. No pressure?

The WITNESS. No.

By Mr. GARBER:

Q. Do you know why Mr. Brown retired?—A. Well, I don't correctly know the story on that. I know he was gone all of a sudden.

Q. What were the rumors?—A. Oh, the place is full of rumors. A place that size is always full of rumors.

The COURT. Well, rumors are flying, I don't know if the author of that song was over there, but rumors were flying, Brown maybe was not denying.

The WITNESS. The rumor that was around there was to the effect he was going to be let out. That's the rumor.

The COURT. Was any cause assigned for that?

The WITNESS. Well, there was some connection with Spike Briggs at that time.

The COURT. They wanted Brown to put Spike in a position of higher responsibility?

The WITNESS. In fact, Spike came in and worked for me, oh, about seven or eight months before he was appointed vice president of the company. It seems for some reason or other, I had to train the family.

The COURT. What was he, a man of any ability?

The WITNESS. He has a lot of ability.

The COURT. Can he direct it? Is it scattered?

The WITNESS. Well, I think he can. It's going to take time, naturally.

By Mr. GARBER:

Q. Does he have anything to do with the policy of the company, such as this salvage contract?—A. No, he didn't have unless he has now since he's been appointed an officer of the company.

The COURT. Well, the set-up now is, W. O. is chairman of the board.

The WITNESS. W. O. is chairman of the board, Dean Robinson is president.

The COURT. Dean Robinson is president. Blackwood——

The WITNESS. Blackwood is assistant—no, wait a minute. He's assistant treasurer.

The COURT. Who is treasurer?

The WITNESS. Spike.

The COURT. Spike is treasurer, and what other status does he have?

The WITNESS. He was appointed vice president here some time ago, so he would be vice president and treasurer.

The COURT. Treasurer or assistant treasurer?

The WITNESS. Treasurer, Blackwood is assistant treasurer. Lundberg is assistant vice president and assistant general manager.

By Mr. GARBER:

Q. Who is Mrs. Lilygren?—A. Lilygren was in charge of estimating and costs, and he was George Herbert's.

Q. Cost of production?—A. Cost of production, yes, and he was George Herbert's superior at the time this discharge of Herbert took place. Now, wait a minute. I don't believe he was. I don't think he was there any more. I think he had left by that time.

The COURT. Let's see if we can get some of these things by a process of elimination. The policies of a company like Briggs, and Briggs in particular, are formulated, approved and carried out in the last analysis by the top flight officers. What they say goes.

The WITNESS. That's right.

The COURT. At the time that Herbert was discharged, Dean Robinson was president?

The WITNESS. Yes; I think that's right.

The COURT. January of this year?

The WITNESS. Yes; I think Brown left in November of last year.

The COURT. I suppose Walter Briggs leaves the active carrying out of these policies to Robinson?

The WITNESS. That's right.

The COURT. I suppose it is safe to say that Spike is not sufficiently trained last January, or was not at that time, to see that his ideas were actually carried out. He would have to go somewhere else.

The WITNESS. That's correct.

The COURT. This Carl Renda contract did in no sense meet the approval or the acquiescence of George Herbert?

The WITNESS. Not according to his story to me.

The COURT. That is, he told you that?

The WITNESS. Yes.

The COURT. From what he told you, you could conclude that?

The WITNESS. That's right.

The COURT. George Herbert was fired or discharged January 7, 1946?

The WITNESS. Was it as long ago as that?

The COURT. Yes.

The WITNESS. I didn't realize that.

The COURT. At the same time his secretary was discharged?

The WITNESS. Was she?

The COURT. She had been working there upward of 21 or 22 years.

The WITNESS. I know it was a good long time.

The COURT. It had been the custom over the years that the bids for scrap and salvage would be submitted to those who would be interested in making a bid, and the contract was knocked down or given to the highest bidder in the particular field of salvage that he was interested in. For example, hydraulically pressed bales of steel scrap, rags, waste paper, ferrous and nonferrous metal. So I suppose it is safe today for about 21 or 22 years or for the period during which Herbert was in charge that his work was quite satisfactory, else he wouldn't have been there.

The WITNESS. Yes. He was connected with that job, Judge, about eight or nine years prior to that.

The COURT. I take it from what you have said from your experiences with Herbert, and your knowledge of the man's reputation, that in your book Herbert was a man also of integrity?

The WITNESS. I always thought so.

The COURT. You wouldn't ascribe that homely expression to Herbert of being one more screwball or crackpot?

The WITNESS. No.

The COURT. A man seeking revenge on some unjustified grounds?

The WITNESS. No. I wouldn't say that.

The COURT. And if you had occasion, you would take his word and rely on it?

The WITNESS. Yes; I have in the past.

The COURT. Now, Cleary was immediately over him?

The WITNESS. No; that's not right.

The COURT. Well, he was purchasing agent?

The WITNESS. That's right.

The COURT. And for your satisfaction these contracts that went out from the salvage department, scrap department, bore the approval of Cleary; so in some sense, he was his immediate superior, so far as those contracts are concerned?

The WITNESS. Oh, yes, yes; I would say that was absolutely right.

The COURT. Now, Cleary himself was a man of integrity?

The WITNESS. Very much so.

The COURT. And he wouldn't be likely to lend his aid or comfort to something that didn't meet with his ideas of fairness, justice?

The WITNESS. That's right.

The COURT. It is a fact for a number of years that the highest bidders were almost universally successful in the field of scrap or waste they were interested in. Once in a while they would miss it. But some, over a period of 15 or 18 years, had been continuously getting that material on the highest bid submitted in a very businesslike way. Among them was the Woodmere Company, Levine, Silverstine, and others.



Mr. GABBER. Continental.

The COURT. Continental, and it was their practice to submit bids, and if they clipped it, to come into the plant and to pick up the material either by truck or carload, have it checked off and pay for it. Assuming that there was some talk of short weights, and it looked as if somebody was getting away with something for nothing, which the record to date does not bear out, but then bearing in mind that the same fellows that got those contracts primarily from Briggs were still hauling the merchandise, which eliminates any ground for suspicion of fraud or short weights—that goes right out the first window—and assuming that there were rumors flying about Herbert and his secretary, which in my book wouldn't mean much on the record; bearing in mind the FBI was watching for the prices of the government merchandise, now comes into the picture quickly, suddenly, like a bolt from the blue, in March of 1945, Carl Renda and his associates, and try to do business with Herbert by getting the bids first, and then, he says, "no, we don't do business that way here." Now, later, he is told to do business with the Carl Renda Company, with instructions from Cleary, but Cleary is an honorable man. Bearing in mind he is not a top flight officer, he O. K.'d the Renda contract. Now, bearing in mind further, the Carl Renda Company headed by Carl Renda, a boy of 25 or 26 years of age, with a little, somewhat of a glib tongue and a superficial collegiate education, acquired in a freshwater college, with no experience whatsoever in the scrap field, but happens to be Perrone's son-in-law, a man of affairs, and we will let you see his picture presently, who controls the scrap contracts for Michigan Stove Works, for meritorious services rendered, with a big question mark; that the Carl Renda Company has no assets, no permanent place of abode except an upper flat on Beaconsfield, no trucks, no equipment, no experience, but a good contract, that he comes in to see some hard-headed businessman and the word comes down the line from the top command that's the way it is going. He says, "Do me something, I don't know the business," and then like an old maid that is seeking matrimony, he rushes around to the former successful bidders and enters into a contract in the respective fields of scrap that they originally had direct, and they pay to the Carl Renda Company, and a year or two goes on, and they still put the scrap the way they formerly did, but not direct, through a subcontract from Carl Renda. He has the basic contract with Briggs.

The WITNESS. Is that the picture?

The COURT. Then, bearing in mind the man-hours lost are depressed more than fifty percent after the new regime comes in, and there's one, two, three, four, five, six, seven beatings all on the same pattern, felonious assaults that could well be murder, but everything seems to be quiet on the western front. Who placed that contract? Who gave it their blessings? Why? What was the purpose, bearing in mind it cost about \$14,000 a month to carry such a contract through? Now, you are an experienced man. You are still in the prime of life. You are out in a field now, of industrial relations, as an expert. It is safe to say that you are somewhat familiar with industrial relations from coast to coast; that you heard of Sam Gompers, and Green, and you've heard of the rackets in the chicken industry, live poultry, building trades, fruit and vegetables, in New York, Chicago, all along the line? But you know sometimes these rackets are carried on by outside muscle men?

The WITNESS. That's what happened.

The COURT. Sometimes they have control of the unions, sometimes it's a racket between the employer and employee represented by muscle men. So in the full floodlight, on your experience in general and your knowledge acquired through experience in the Briggs plant, and knowing intimately some of the personalities whose names are just thrown across the page, who do you think sanctioned that contract with the Carl Renda Company? Why was it sanctioned, and what is your general opinion of such a type of a contract, and, if you can tell us, where does it lead?

The WITNESS. You want the answer to those three questions?

The COURT. Yes. You have got the general picture?

The WITNESS. Yes.

The COURT. Off the record.

(Discussion off the record.)

The WITNESS. Well, I would say that a contract of that type would have to be approved by the top officer in the company.

Mr. GABBER. That would be whom?

The WITNESS. That would be Robinson.

The COURT. And right there, do you think that a contract of that type would ever get the approval of Robinson unless he knew the background?

The WITNESS. No; I wouldn't think so, not using good common logic. Why would it?

By Mr. GARBER:

Q. That isn't the way Briggs does business, is it, take a fly-by-night contract?—

A. It has not been my experience.

The COURT. Off the record.

(Discussion off the record.)

The COURT. Now, on the contract, what do you think about it? Who did that?

The WITNESS. Well, I would think a contract of that nature would naturally have to be signed by the president and an officer of the corporation.

The COURT. I mean, the driving power behind it. We know Cleary signed it, because there is his John Hancock. We know Herbert didn't or wouldn't, and he got his walking papers.

The WITNESS. Well, I don't assume Herbert would sign a contract of that type, anyway. I think it would be Cleary's responsibility. It always had been in the past.

The COURT. Now, from what you know of Cleary and what you know of Herbert, you could eliminate those fellows from the picture?

The WITNESS. Oh, definitely, no question about that.

The COURT. Now, to some extent, at least temporarily, you could eliminate Walter Briggs, as an old man that's had his experience.

The WITNESS. And whom I have always found to be a squareshooter, too.

The COURT. And who, I understand, to be a squareshooter, too. We will eliminate him. Now, by the testimony you might eliminate Spike.

The WITNESS. I would say that was a safe assumption.

The COURT. Now, you have got two or three men here. You have Dean Robinson, the president, and you have Blackwood.

The WITNESS. Who is in charge of the books.

The COURT. Yes, and you have got Fay Taylor.

The WITNESS. Yes; who is supposed to keep peace in the family.

The COURT. Now, Fay Taylor is the field man in charge, and it would be safe to say, would it not, that Fay Taylor, before that contract was out, was called into conference, from what you know of the situation?

The WITNESS. I would say that was a safe assumption.

The COURT. And that the go sign came from the top-flight officers?

The WITNESS. I would say that was definitely the practice; yes.

The COURT. And would you say you would have to know the full story from Dean Robinson before you would wipe him out of the picture?

The WITNESS. I would say so; yes.

The COURT. Now, what would be the purpose of a contract like that?

The WITNESS. Well, the way this thing sizes itself up here, there is just one motive back of it, that's what I would say, whether I am right in that assumption, I don't know.

The COURT. You mean, to keep everything quiet along the Potomac?

The WITNESS. That's right.

The COURT. At whatever price?

The WITNESS. Well, for 150,000.

Mr. GARBER. That or more.

The COURT. The remuneration, that's easy. That's in the books. I mean the performance.

The WITNESS. Oh, yes.

The COURT. Here's your contract. There's your money. Now, we want performance. What performance?

The WITNESS. Whatever the occasion calls for, I suppose.

The COURT. Then the thermometer shows the lowering of the loss of man-hours and the picture has the assaults.

The WITNESS. It sounds like a logical sequence.

Mr. GARBER. May I ask a question, Judge?

The COURT. Wait a minute, off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Can you give us an estimate of what it cost Briggs Manufacturing Company an hour for an unauthorized work stoppage? How much would they lose?—A. I wouldn't even—

Q. Will, give us your best judgment. What is your best estimate of what it would cost.—A. Well, now, that's a pretty tough question for me to answer. I tell you why it is. You have to take into consideration all the factors that enter into the cost structure, overhead. Here's a plant down. How much is your insurance? How much is your tax for that day? If you are talking hourly rate, what is the wage cost for a period of that time? I would answer it this way: You could multiply the number of men in the plant by \$1.30, and it would give you a pretty good idea what the amount would be. I would hate to hazard a guess.

Q. Supposing that through this deal—this is all supposition—they save some 400,000 hours a year. Would they be saving over some \$400,000 to the Briggs plant? In other words, through a deal that could stop unauthorized work stoppages to the extent of 400,000 hours a year, how much would the Briggs plant save approximately?—A. Let's see, let's have a piece of paper. Let's say you have 20,000 people here at \$1.30, that would be \$26,000, an hour, and then if you were to figure in overhead, I would say 150% of that would be overhead; that would be twenty-six and thirty-nine—about \$65,000 an hour.

Q. That they would lose by work stoppages, unauthorized work stoppages?—A. I would say so.

Q. So \$14,000 a month would be a very nominal sum for stopping even fewer hours of work stoppage?—A. It would be a nominal sum to—

Q. Compared to what they would lose?—A. Yes.

Q. I think that's about all I care to ask the gentleman.

Do you want to see a picture of the family group?—A. Yes, I would be very much interested in seeing that.

(Discussion off the record.)

By Mr. GARBER:

Q. Do you know John Fry?—A. John who?

Q. Fry?—A. I know of John Fry. He's the fellow who was police commissioner here, and is head of the Michigan Stove Works. As far as personally knowing the man, I never knew the man.

Q. You never discussed how he handled his strikes?—A. No; I didn't.

Q. You never had any business contacts with him?—A. No. That again comes back to this, as far as the labor contacts were concerned, it was strictly in the hands of Taylor.

Q. To your knowledge, was Joe Vega fired, and did he have a suit pending before the Labor Relations Board for reinstatement?—A. I am not sure whether Joe or Art, but one of them was fired.

Q. What about Snowden?—A. Snowden was discharged.

Q. And did he have an appeal pending before the Labor Relations Board?—A. Let me think. I know the thing was discussed—a reinstatement was discussed with the officers of the local, but what happened after that, I am not certain.

Q. Was Morris discharged, and did he have an appeal pending before the Labor Relations Board?—A. Morris was discharged. Frankly I can't tell you that. I would like to help you out on it, but I didn't follow those things up.

Q. Did you ever know a fellow by the name of Sosmalski?—A. Sosmalski? Chester Kosmalski?

Q. Was he fired?—A. Yes; Kosmalski was discharged.

Q. How did he get back in?—A. He wasn't in when I left.

Q. Wasn't he put back on by Fay Taylor?—A. Now, what time are you talking about. He was discharged twice.

Q. The first time, how did he get back?—A. I assume it was through negotiations with the union to come back. See, the way that thing worked out there, so you get the machinery, these discharges take place, and we enter on the man's employment the cause of his discharge, and then the union negotiates the return of the man. Now, when that negotiation takes place, that's handled by Taylor's division, usually by Taylor himself. Then, after they decide the man is going to be replaced, the employment department is notified, the payroll department is notified whether he will be given back pay or not. Whether he

made some sort of arrangement to put the fellow back to work, I don't know. I assume if he came in, that's what happened though.

Mr. GARBER. I think that's all we need of this gentleman.

(Witness excused.)

---

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Friday, November 29th, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

11:55 a. m.

WELLINGTON R. BURT, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name?—A. Wellington R. Burt.

Q. Where do you live, Mr. Burt?—A. 10472 Bryden.

Q. By whom are you employed?—A. Briggs Manufacturing.

Q. How long have you been so employed?—A. Let's see, the last time since 1933, I believe.

Q. You have been employed continuously since 1933 to the present time?—A. Yes.

Q. What is your official position?—A. Secretary to the director of purchases, and I also do some purchasing myself.

Q. And the director of purchases now is Mr. Cochrane?—A. Right.

Q. Previous to that it was Mr. William J. Cleary?—A. Right.

Q. And you were secretary to Mr. Cleary in 1945?—A. Right.

Q. Are you acquainted with the method used by Briggs Manufacturing Company in disposing of their scrap materials previous to April 1, 1945?—A. No.

Q. Are you acquainted with the method in which their scrap material is disposed of at the present time?—A. Yes.

Q. And when did that come to your attention, Mr. Burt?—A. Well, after Mr. Cochrane took over the management, it was apparently turned over to him.

Q. And do you know who has the contract at the present time for the purchase of waste materials?—A. Yes, the Renda Company.

Q. When was the first time that you ever heard of the Renda Company?—A. Gee, I don't know. The first time I ever heard of them was after the contract was signed. I heard of Carl Renda, but not of the Renda Company.

Q. When did you hear of Carl Renda?—A. That would be about the time that the contract was signed. I think that would be April 1945. He was in there two or three times prior to the time the contract was executed.

Q. That's what I am asking, when you first saw him?—A. Well, it would be two or three weeks prior to April.

Q. Well, I will show you bids that were received for nonferrous scrap metal, for the second quarter of 1945, and ask you if certain bids were entered on there by you.—A. Right.

Q. And under whose name were those bids entered on there?—A. Carl Renda.

Q. And when was this typed on there? What year would that be?—A. I don't know. I would be the second quarter of 1945.

Q. Then, had you ever heard of Mr. Renda or ever been requested by anyone to type bids on for the Carl Renda Company previous to the second quarter of 1945?—A. No.

Q. Where did you get those figures?—A. I think off the contract. Look at the contract, see if those figures aren't identical with this. I think that's where I got them.

Q. I show you Grand Jury Exhibit 1, and ask you if you know when that contract was entered into?—A. It isn't dated, is it? Well, now, let's see these prices here. They were taken off of here.

Q. When was this contract filed?—A. It was filed by me on April 26, 1946.

Q. That's in April?—A. Yes, sir, this year.

Q. When was this made up?—A. Well, that was made up the second quarter of 1945.

Q. Well, now, how could you have gotten the figures off the contract here some time in April this year?—A. Because—the time this contract was entered into, it was April 1945, because this laid on Mr. Cleary's desk for a year.

Q. Why did it lay on his desk for a year?—A. I couldn't tell you; I don't know.

Q. I see. Now, I show you Grand Jury Exhibit 2—

The COURT. Wait a minute; that contract was signed, you say, in April 1945?

Mr. GARBNER. 1946, he said.

The WITNESS. But he had it on his desk a whole year before he gave it to me to file.

The COURT. Let's get that straight. That instrument, Exhibit 1—

Mr. GARBNER. Exhibit 1 is the contract.

The COURT. You got a contract in writing between Renda Company and Briggs Manufacturing. It is undated.

The WITNESS. That is right.

The COURT. But you say you are familiar with it and it was executed in April 1945?

The WITNESS. About that time, yes, sir.

The COURT. About that time?

The WITNESS. Yes.

The COURT. That's a year ago this past April?

The WITNESS. Yes.

The COURT. But Cleary, who was the purchasing agent, had the contract on his desk a year prior to the time it was executed.

The WITNESS. No; I wouldn't say that. I say it was executed and he had it on his desk from the time it was executed till April 1946, when I filed it away, because he put it in his compartment there, for things to be filed away.

The COURT. When was it—when did Cleary first get the contract?

The WITNESS. I couldn't tell you that, but I imagine around April 1945. I am not sure of that.

The COURT. He got it April 1945?

The WITNESS. Yes.

The COURT. It was hanging around a year before that time?

The WITNESS. What do you mean?

Mr. MOLL. No; here's what I understand your testimony to be. This contract, Exhibit 1, was executed by Briggs, on behalf of Briggs Manufacturing Company, by Cleary, and on behalf of Renda Company by Carl Renda, some time the early part of 1945?

The WITNESS. That's right.

Mr. MOLL. April 1945.

The WITNESS. Probably around some time in the second quarter.

Mr. MOLL. This contract, after its execution, remained on Mr. Cleary's desk for approximately one year, until you filed it away April 26, 1946.

The WITNESS. Yes.

Mr. MOLL. You had seen this contract previous to the time you filed it away?

The WITNESS. I seen it every day. He left the papers there, left them accumulate on his desk.

Mr. MOLL. You knew this contract then, had actually been executed in April 1945?

The WITNESS. No; I didn't pay any attention to it. I saw the contract there. I never knew when they executed the contract. The papers lay on his desk.

Mr. MOLL. Well, all right. The prices included in this contract, Exhibit 1, for scrap material, are the same as—

The WITNESS. On here, yes.

Mr. MOLL. You added to the bids for nonferrous scrap metal for the second quarter of 1945?

The WITNESS. Yes.

Mr. MOLL. Now, as I understand it, the bids indicated as having come from Continental, Consumers Metal, Reliance Metal, Federal Alloys, Great Lakes, and M. W. Zak, all came through your salvage department?

The WITNESS. Yes, I imagine they did; yes, sir.

Mr. MOLL. Well, this paper which I hold in my hand came up to you for your office through the salvage department.

The WITNESS. Yes.

Mr. MOLL. Now, I will mark this paper and attached papers "Grand Jury Exhibit 3."

(Thereupon, a document was marked "Grand Jury Exhibit 3" by the reporter.)

By Mr. MOLL:

Q. Now, when Grand Jury Exhibit 3 came to your office, it did not have any bid from Renda?—A. That's right, it did not.

Mr. MOLL. On it?

The WITNESS. That's right.

Mr. MOLL. And it was you, I understand, who typed in the name "Carl Renda," and the figures under that name?

Mr. MOLL. To correspond with certain classifications on the left-hand column?

The WITNESS. That's right.

Mr. MOLL. Now, from what source did you get the information to type in these figures under the name "Carl Renda"?

The WITNESS. I imagine from that contract, exhibit number—

Mr. MOLL. One?

The WITNESS. One, yes.

Mr. MOLL. Well, would you say positively that was the source of your information?

The WITNESS. Well, let me check those to make sure. At this time I had nothing to do with scrap at all, only what he told me to do, that's all.

Mr. MOLL. Here, I will run down them if you want to.

The WITNESS. I will say, yes. There must be a quotation or something from Renda I typed this from; yes, I would say they were made up from that.

Mr. MOLL. So that the figures which you placed on Grand Jury Exhibit 3, as indicating a bid from Carl Renda for the various classifications listed, came from the contract, Exhibit 1?

The WITNESS. Yes.

Mr. MOLL. Therefore, you would say that the contract, Exhibit 1, had been executed prior to the time you incorporated the prices on Grand Jury Exhibit 3.

The WITNESS. I would say so, yes.

Mr. MOLL. And you recollect having seen the contract, Exhibit 1, on Mr. Cleary's desk for approximately one year?

The WITNESS. Yes.

Mr. MOLL. Prior to the time you filed it away?

The WITNESS. It was there a long time. It might not have been a year, it might have been more than a year.

By Mr. GARBER:

Q. Now, the other day when you were in here, you identified some pencil figures that were on there?—A. Yes, sir.

Q. Whose pencil figures are those?—A. Mr. Cleary's.

Q. That's on Exhibit 3?—A. Six of them, yes.

Q. Six different items?—A. Yes, sir.

Q. Do those six items appear in Grand Jury Exhibit 1?—A. I don't know about that. Well, we will see.

Q. Well, then, there is some variation between the two?—A. Yes.

Q. Now, in our conversation the other day, Mr. Burt, didn't you tell me you received this information from Mr. Cleary as to what to place on there?—A. Yes, sir.

Q. And you didn't take it from the contract at that time?—A. Well, I don't remember what I typed that on there from, but he checked it over, okayed it.

Q. Now, I show you bids for scrap iron for the second quarter and ask you if you added the Carl Renda bids on for that?—A. No, that's not my typewriter.

Q. Do you know whose typewriter it is?—A. No.

Q. Do you know who put the figures on?—A. No.

Q. Do you know who put the okay on there?—A. It's not Mr. Cleary's okay. I do not know.

Q. I show you bids for nonferrous metals for 1945, the third quarter, and ask you if you placed those figures on there?—A. That don't look like my type-writer. No, sir, I do not. I very seldom use periods.

Q. Now, I show you Grand Jury Exhibit 2, and ask you if you prepared that.—A. Yes.

Q. And when did you prepare that?—A. April 23, 1946.

Q. Is that the first notice that was prepared, to your knowledge, that went to the head of the salvage department that all materials, and so forth, included in that was to be given to the Renda Company?—A. Well, that's the first written notice.

Q. The first written notice?—A. That I know; yes.

Q. You prepared that?—A. Yes.

Q. That's what year?—A. April 1946.

Q. April 23, 1946, and that includes all the materials, and that's signed by Cleary.—A. Yes.

Q. And also are attached intercommunications to Mr. Reichman; is that right?—A. Yes.

Q. And it was effective as of April 10, 1946?—A. Right.

Q. And dated April 23, 1946. The prices on scrap, effective April 10, 1946, and dated April 23, 1946?—A. Right.

Q. All the way down the line. Did you prepare that, too?—A. No, sir; this must have been prepared in Reichman's office.

Q. But the top sheet, to Mr. Blackwood, in care of Mr. Reichman, was prepared and sent in there?—A. Yes.

Q. And that's signed. It says, "This contract is to remain in effect till cancelled by either party on 30 days' notice of such cancellation."—A. Yes.

Q. And the date that you filed this contract, Grand Jury Exhibit 1, is what?—A. April 26, 1946.

Q. Three days afterwards you filed this contract?—A. Yes.

Q. After this notice went out that all contracts had been made.—A. Right.

Q. Is that right?—A. Yes.

Mr. MOLL. But Renda Company had had the scrap disposal since the second quarter of 1945?

The WITNESS. Gosh, I don't—see, up until recently I had nothing to do with scrap at all, other than filling in those figures on that, and filing the thing away. That's practically all I knew of the scrap situation until Mr. Cochrane took over. Now, I am getting into it.

Mr. MOLL. That's a fact; it could be verified?

The WITNESS. It could be; yes.

By Mr. GARBER:

Q. Did you have any conversation with Mr. Cleary about the Renda Company getting this contract?—A. The only conversation I had was one day I went in there after Renda had went out, and he said to me "Did you see that fellow?" I said, "Yes." He said, "Well, he's the king of the wops." That's the only conversation I had with him about it.

Q. He told you he was the king of the wops?—A. Yes.

Q. That's after he had been in Mr. Cleary's office?—A. I don't know whether it was the first, second, third, fourth, or fifth time, but he was there.

Q. He had been there on other occasions?—A. Yes.

Q. Do you know whether this contract, Grand Jury Exhibit 1, was signed at that time or not?—A. No, I don't know when it was signed.

Q. Now, you are acquainted with Mr. Renda at the present time?—A. Yes, just to talk to him.

Q. Well, you know him as Mr. Renda, Carl Renda; do you not?—A. Yes.

Q. Is that the same man who was in the office of Mr. Cleary, when Mr. Cleary told you the man who just went out was king of the wops?—A. Yes.

Q. The same man?—A. Yes.

Q. Did you ask him what business the king of the wops had with Briggs?—A. No.

Q. Did you ask him—A. I asked him nothing at all.

Q. Did he ever say anything further?—A. Never mentioned it again.

Q. Did you know Renda was getting all the scrap out of Briggs at the time?—A. No, I had nothing to do with scrap at the time.

THE COURT. Didn't Cleary intimate to you this deal had come from the front office?

THE WITNESS. Well, yes; he did.

THE COURT. What did he say?

THE WITNESS. Well, I don't know if he said anything, but I inferred from the way it was handled it did.

MR. MOLL. Now, on what did you base your inference?

THE WITNESS. I don't know.

MR. MOLL. Didn't he say, "They got us in business with the king of the wops," something like that?

THE WITNESS. No, he did not. I just inferred it came from the front office, because I knew it was something new. We never had any dealings with Italians before.

THE COURT. Let us have a frank expression of the facts you worked on to draw that conclusion.

THE WITNESS. Well, it was unusual, that is, we were dealing with Italians, because the scrap situation is always handled by Jews, you know that, and you bring an Italian into the picture, why, it seemed kind of funny, but the occasion of him coming there, I know nothing about at all.

By MR. GARBER:

Q. Do you recall whether or not Mr. Renda called to get in to see Mr. Cleary?—A. The first time he come, I don't even know how he got there, who sent him there, or anything about it.

Q. Did Mr. Cleary expect him or seem to expect him?—A. I don't know that.

Q. You have a system where, to get into Mr. Cleary's office, you call downstairs, and say who you are and what your business is, and then you are received, is that correct?—A. That's right.

Q. Do you know whether that is the way Mr. Renda got into Mr. Cleary's office?—A. No. I might have been out of the office and the girl let him in. I don't remember when he first came in.

Q. Is there any record of visitors?—A. There may be in the office.

Q. In the information or lobby office?—A. Yes; there might be.

Q. Wasn't it customary at the plants anyone coming in had to sign?—A. During the war.

THE COURT. That was during the war.

THE WITNESS. Yes.

MR. MOLL. So there must be a record in the lobby of visitors or appointments for Mr. Cleary?

THE WITNESS. Yes.

By MR. GARBER:

Q. Do you know anything about the inventory made by the Federal Government as to disposal of scrap?—A. Yes; I know there was an inventory made.

Q. When was that inventory made?—A. I don't know. The early part of this year, if I recall.

Q. Do you know whether or not there was a difference in the sale of scrap belonging to the Government, and scrap belonging to Briggs?—A. No, I do not.

Q. Do you know whether or not there were still bids received for the government scrap?—A. No, I had nothing to do with it, know nothing about it.

Q. Do you know whether Briggs Manufacturing had to make up the difference to the Federal Government for scrap that belonged to the government under this Renda contract?—A. I do not.

Q. But you do know the Federal Government did come in and check?—A. That's what I understand.

Q. To see whether they received the full amount of their scrap?—A. Yes.

Q. Do you know whether Briggs had to pay the difference to the Federal Government because the scrap had been sold below the market, and had to make up the difference to the Federal Government?—A. No, I do not.

Q. You do know there was an investigation?—A. I do know there was an investigation. How it come out, I do not know.

Q. Who would have that report?—A. I think it would be Mr. Blackwood's man. He's the head auditor. What the dickens is his name? He is head auditor under Mr. Blackwood.

Q. What is his name?—A. Dave Hinchman.

Q. And he works under Mr. Blackwood?—A. That's right.

Q. And he would have a copy of this audit that was made by the Government?—A. He should have, I would think, because we didn't have anything on it.



Q. And he would know whether or not there was any subsequent funds given to the government in payment?—A. Yes, he would know that; sure.

Q. And where is his office?—A. Well, it's right next to Mr. Blackwood's office.

Q. What building is that in?—A. The Mack Avenue plant.

Q. The Mack Avenue plant, right next to Mr. Blackwood's office. Do you think that Mr. Cleary made this deal with the Renda Company?—A. Well, he signed that contract, that's a cinch.

Q. But do you think he signed that because of instructions?—A. Well, that's the way it looks to me.

Q. Or of his own volition?—A. Because the thing hung fire for some time before he executed the papers, but any of the details I know nothing about, because I had nothing to do with scrap at the time.

Mr. MOLL. Did Mr. Cleary ever indicate to you it was an unsavory deal?

The WITNESS. No, sir; he did not.

Mr. MOLL. Did he ever indicate to you he had been forced into it?

The WITNESS. No, sir.

Mr. MOLL. Did Mr. Cleary ever indicate to you it was an unsavory deal?

The WITNESS. No, sir; he did not.

Mr. MOLL. Did he ever indicate to you he had been forced into it?

The WITNESS. No, sir.

Mr. MOLL. Did he ever indicate to you the deal was of his own making.

The WITNESS. No, sir.

Mr. MOLL. Did he ever intimate any of the circumstances surrounding the scrap situation?

The WITNESS. The only thing he mentioned, Renda was king of the wops. That's the only conversation we ever had about Renda.

Mr. MOLL. What was his reaction as you gather, to it?

The WITNESS. That's the only thing he said to me about it.

The COURT. Did he talk to you about other contracts than the Renda contract?

The WITNESS. No. See, most of the contracts were executed by him and given to me to file. I didn't have anything to do with the execution of any of the contracts. Some had to be signed by the manager and the seal put on.

By Mr. GARBER:

Q. Wasn't that an unusual procedure, that this contract would lay around a year?—A. No. I know one with General Electric laid around the same length of time, for electric-light bulbs. It lay around on the desk, was never signed.

Q. Were they doing business with the electric company at the time?—A. Yes.

Mr. MOLL. Did Fay Taylor ever meet in Mr. Cleary's office in connection with this contract?

The WITNESS. Not to my knowledge.

Mr. MOLL. Did you ever see him in Mr. Cleary's office in connection with this contract?

The WITNESS. No. Mr. Cleary might have been in his office. I don't think all the time I was with Mr. Cleary, Fay Taylor was in there over three times.

Mr. MOLL. Mr. Cleary might have been in his office?

The WITNESS. That's right.

The COURT. How far is Mr. Taylor's office from Mr. Cleary's office?

The WITNESS. Fay Taylor's office at that time was out on Mack Avenue, as you come in the yard. Our office is on the second floor, quite a distance.

The COURT. The same building?

The WITNESS. No, not in the same building. He was in the employment office outside.

By Mr. GARBER:

Q. What day were you down here before?—A. Let's see. Monday or Tuesday—Monday, wasn't it?

Q. I believe it was. Now, has anybody higher up of the officials of Briggs sent for you, talked to you about what you were down here for?—A. No, sir; absolutely not.

Q. Did they talk to you about it?—A. No, sir.

Q. Did anybody ask you about it?—A. No, sir.

The COURT. Did you tell anybody out there you had a Grand Jury subpoena?

The WITNESS. No, sir; other than my boss, Mr. Cochrane.

Mr. MOLL. Did you discuss your testimony in any way with Mr. Cochrane?

The WITNESS. No, sir.

Mr. MOLL. He knew you had been down here?

The WITNESS. Oh, yes; I had to tell him. Getting away like that in the middle of the day, he would want to know where I was going, so I told him I had to come down here.

By Mr. GARBET:

Q. This contract, to your knowledge, is in full force and effect at the present time?—A. Yes; so far as I know, it is.

Q. No changes in it?—A. No.

Q. Renda still has the scrap contract?—A. Yes.

The COURT. There are no bids on it?

The WITNESS. We get bids on blanks, but that miscellaneous scrap there are no bids on it.

The COURT. It is a continuous contract?

The WITNESS. Yes.

The COURT. That is just opposite to the practice before Renda came in?

The WITNESS. Yes.

The COURT. What is the answer?

The WITNESS. Yes.

By Mr. GARBET:

Q. You don't know where Mr. Cleary ascertained Mr. Renda was king of the wops, do you?—A. No; I do not.

Q. The name, "Renda," didn't mean anything to you?—A. Not a thing.

Q. But Mr. Cleary seemed to have that knowledge?—A. Yes, sir.

Q. Mr. Cleary was a reputable man?—A. Very much so; yes, sir.

Q. Honorable?—A. Absolutely.

Q. He didn't have any contacts with Italians, so far as you know?—A. Absolutely none; so far as I know.

Q. Either socially or in business?—A. No.

Q. You wouldn't know where he got that information?—A. Not unless Renda told him, or someone else told him.

Q. Did you ever hear the name of Perrone?—A. No, sir. He asked me about that the other day. Well, I heard of them in the papers, but never knew they were connected with Renda.

Q. Is there anything else you know that can help us with?—A. There isn't a thing. I told you everything I know. See, at that time, I had nothing to do with scrap at all. I just done as I was told.

Mr. MOLL. And it was unusual procedure to have the scrap contract come through your office?

The WITNESS. No. Mr. Cleary always handled the scrap for the last several years.

Mr. MOLL. That is, he supervised Herbert in the salvage department?

The WITNESS. Yes. Herbert would send out monthly, bimonthly requests for bids, get bids, compile it, put the respective prices on there, bring it up to Mr. Cleary, check out the high bidder.

The COURT. What was Cleary's job?

The WITNESS. Director of purchases.

The COURT. And in that particular case, he would be director of sales?

The WITNESS. He handled the scrap for years, the sale of scrap.

The COURT. In other words, there would be only two main branches of selling; first the manufactured product of the company, that was under the direction of whom?

The WITNESS. Well, that would be under the sales department.

The COURT. And then Cleary, he was director of purchases?

The WITNESS. That's right.

The COURT. Of the men under him, he was the last word on purchases?

The WITNESS. That's right.

The COURT. But included in his duties was the sale of scrap, waste?

The WITNESS. Yes, sir.

The COURT. But the heavy load in that department was carried on for years by George Herbert?

The WITNESS. Yes.

The COURT. Subject to Cleary's—

The WITNESS. Cleary's O. K. of the prices.

Mr. MOLL. Who was the sales manager of Briggs Manufacturing?

The WITNESS. Well, we have two or three. On Packards it's Dick Wing, and on Chrysler it's George—I can't think of it now.

Mr. MOLL. Outside your manufactured products, do you know of any other materials, except scrap, that are sold by Briggs?

The WITNESS. No; I do not.

Mr. MOLL. That is, except for the articles manufactured in the plant, the only other source of income from the sale of material would be in the scrap?

The WITNESS. The finished product; yes.

Mr. MOLL. Is there a lunch or food concession at Briggs Manufacturing Company?

The WITNESS. Yes, sir.

Mr. MOLL. Who has that?

The WITNESS. They're right around the corner there on St. Jean and Warren. Mention the name.

Mr. GARBER. Trainor?

The WITNESS. Trainor Brothers, that's right.

Mr. MOLL. Are there any other concessions leased by Briggs Manufacturing Company that you know of?

The WITNESS. Not that I know of.

Mr. MOLL. Well, are there any other concessions that you know of?

The WITNESS. No, sir; there are not.

Mr. MOLL. Is anyone permitted to sell anything in the plant?

The WITNESS. No one other than Trainors that I know of.

Mr. MOLL. Any candy or coca-cola?

The WITNESS. Well, I understand Henry Roesch has some vending machines. It comes under the welfare department. I understand he gets a slice out of that. I have nothing to do with that. I only found that out a month or two ago.

Mr. MOLL. You know of no other concession except food?

The WITNESS. That's right.

Mr. MOLL. You know of nothing sold from the plant other than their manufactured products except the scrap material?

The WITNESS. That's all.

Mr. GARBER. Is there anything further, Judge?

The COURT. Not that I know of. Who drafted the contract?

The WITNESS. I think that was made up by Renda.

The COURT. And brought in?

The WITNESS. And brought in.

Mr. GARBER. Exhibit 2, the first two pages there—

The WITNESS. I typed that myself.

The COURT. You were pretty close to Mr. Cleary?

The WITNESS. Well, yes; as far as the office is concerned, but outside that, outside the office; no.

The COURT. From a business standpoint?

The WITNESS. Yes.

The COURT. You were his private secretary?

The WITNESS. Yes.

The COURT. You had been how many years?

The WITNESS. Well, since August 1941, the last time, just before the war.

The COURT. Before the war, you became his private secretary?

The WITNESS. Yes.

The COURT. And had been before that time?

The WITNESS. Yes, several years before that. Then I went into another department, and after the war started he took me back.

The COURT. You were with him as private secretary—

The WITNESS. All during the war until he died.

The COURT. When did he die?

The WITNESS. June 1.

The COURT. June 1, 1946. I suppose the relationship between Cleary and you, as his private secretary, was pretty close?

The WITNESS. Yes.

The COURT. And he would discuss things from time to time out of the line of business?

The WITNESS. Oh, very few things, except during the time his boys were at war, we used to talk once in a while. He used to let me read their letters, and I used to write letters for him to his boys. He had three boys.

The COURT. He dictated them?

The WITNESS. Some of them he did.

The COURT. Then you would write them?

The WITNESS. That's right.

The COURT. Then you would write other letters yourself, too?

The WITNESS. Yes. I had charge of all the priorities during the war, too, made all the applications.

The COURT. Where were you born?

The WITNESS. Ypsilanti, Mich.

The COURT. When?

The WITNESS. December 17, 1888.

The COURT. You were educated out there?

The WITNESS. Ypsilanti, yes.

The COURT. Graduate of high school?

The WITNESS. Yes.

The COURT. Did you go beyond that?

The WITNESS. Cleary College, in Ypsilanti, business college.

The COURT. Is there any connection between Cleary and the college?

The WITNESS. No.

The COURT. Just a similarity of names?

The WITNESS. Yes.

The COURT. Did you graduate from business college?

The WITNESS. Yes.

The COURT. A year course?

The WITNESS. About two years.

The COURT. Did you study all the subjects, commercial law——

The WITNESS. No; not commercial law. I took shorthand, typewriting, book-keeping.

The COURT. You still use that?

The WITNESS. Yes.

The COURT. Your present position is what?

The WITNESS. Secretary to the director of purchases and also do some buying.

The COURT. In other words, you are doing the same work for Cochrane you did for Cleary?

The WITNESS. That's right.

The COURT. Prior to Cochrane's appointment to that office as director of purchases, what did Cochrane do?

The WITNESS. He was in charge of sales for the turret plant.

The COURT. Turrets?

The WITNESS. Yes; turrets we made during the war, for the B-29's and 17's.

The COURT. Prior to that, what did he do?

The WITNESS. Prior to that, I don't know. He was with Briggs and was in England four or five years at the English plant.

The COURT. Is he a Detroitier?

The WITNESS. I think he was born in a little town down in Indiana, but lived here a good many years.

The COURT. How old a man is Cochrane?

The WITNESS. I don't know. I would say 48.

The COURT. How old a man is Renda?

The WITNESS. Oh, I have no idea.

The COURT. You have no idea?

The WITNESS. No.

The COURT. You did see him come in?

The WITNESS. Probably 30, 35.

The COURT. You have some idea?

The WITNESS. I will say yes.

The COURT. Do you know what experience in the scrap business Renda had?

The WITNESS. I know absolutely nothing about him.

The COURT. Do you know what equipment the Carl Renda Company had when they got the contract?

The WITNESS. No; I don't.

The COURT. Do you know his financial status then or now?

The WITNESS. No.

The COURT. Who hauls away at the present time the scrap material?

The WITNESS. For Renda?

The COURT. For Renda.

The WITNESS. I know I see some Woodmere Metal Company trucks lug some of the stuff out of the Outer Drive plant, but out of the other plants, I don't know.

The COURT. Levine Waste Paper?

Mr. GARBER. It's Monroe, now.

The WITNESS. Their trucks were never out at our place; Woodmere.

The COURT. Did you ever see anybody at the plant with Renda?

The WITNESS. No, sir. Any time he comes to our place, he comes alone.

The COURT. He comes in alone?

The WITNESS. Yes, sir.

The COURT. Do you ever see his car when he drives in there?

The WITNESS. No, sir.

The COURT. You wouldn't know if anyone was left in the car?

The WITNESS. No, sir; I would not.

Mr. GARBER. Did you ever know one Charles Martin?

The WITNESS. No, sir; I do not.

The COURT. Did you ever hear of Charles Martin?

The WITNESS. No, sir; I did not.

The COURT. Do you know who makes up the Carl Renda Company?

The WITNESS. No, sir; I do not. I know absolutely nothing about them.

The COURT. Whether it is a partnership or corporation?

The WITNESS. No, sir.

Mr. GARBER. I think that's all at present, Mr. Burt.

The COURT. You understand that any of these questions put to you, and the answers made, and any other information you receive here, is all taken down in good faith, in strict confidence. No one is entitled to it. If any reference is made to it at any time in the press, it will be just some press reporter working on his own.

The WITNESS. I saw an article in the paper yesterday about it.

The COURT. You understand that what you said here, that nobody else will get?

The WITNESS. Yes, I understand.

The COURT. Is there anything further you can give us?

The WITNESS. I only wish there was. See, at the time I had absolutely nothing to do with scrap. Now, I am getting mixed up in it.

The COURT. Well, we are only interested at that time.

The WITNESS. Yes; I know.

By Mr. GARBER:

Q. Do you think the scrap can be sold to better advantage than it is now?—

A. Sure; I imagine after this thing is over, they will go back to the old way of doing it.

Q. Why should they quit?—A. Apparently they are losing money.

Q. There is no question about it they are losing money. How much do they lose a month?—A. Oh, I don't know.

The COURT. Exhibit 1, do you know if that instrument was drawn up with the approval of counsel?

The WITNESS. No. I know it was brought in by Renda. I know no one in our company had anything to do with it.

The COURT. By the way, was Mr. Cleary a college man?

The WITNESS. I believe he was; yes, sir.

The COURT. Was he a trained lawyer?

The WITNESS. No; he was no lawyer.

The COURT. Do you know what college he graduated from?

The WITNESS. No. He was born down in Boston, Mass. I don't know what college he was from.

The COURT. About how old a man was he?

The WITNESS. He was about 61, I believe.

The COURT. When he died?

The WITNESS. Yes; sixty-one or two.

The COURT. And he had been with Briggs since when?

The WITNESS. Oh, he started at Briggs—he has been at Briggs for 16, 16 years, anyway.

The COURT. What part of Boston did he come from?

The WITNESS. I don't know. One of those small towns around there. He had a brother who was an undertaker in Boston, but he died a year and a half or two years ago.

The COURT. Why wasn't the seal of the corporation put on this contract?

The WITNESS. I don't know.

The COURT. Why wasn't it dated?

The WITNESS. I don't know that, either. I don't even know when the thing was signed.

The COURT. This last paragraph in the contract on page 8, reads as follows: "The Carl Renda Company agrees that the above-mentioned agreement will continue in effect as long as a business relationship exists between Carl Renda Company and the Briggs Manufacturing Company."

How would you interpret that?

The WITNESS. It is funny wording all right. It could be forever that way. But the memorandum Mr. Cleary wrote said it could be cancelled in thirty days.

The COURT. That's not in the contract?

The WITNESS. No.

The COURT. Do you know why?

The WITNESS. No.

By Mr. GARBET:

Q. Would you assume from that, then, Mr. Cleary had information further than was set forth in the written contract?—A. Yes.

Q. Was he an officer of the company that could bind the Briggs Manufacturing?—A. He wasn't an officer, no; but anything pertaining to purchasing, he signs the contract.

Q. They stand back of him?—A. Yes.

Q. Ordinarily they have the seal of the corporation on there?—A. Yes.

Q. But it's not there?—A. No.

Q. It is not witnessed?—A. No.

Q. Not dated?—A. No.

Q. And you don't know what interpretation to put on the last paragraph?—A. No.

The COURT. And if the members of the staff up there wanted to know where Cleary is today, you would have to go beyond the contract to find out when it was drafted?

The WITNESS. Yes.

The COURT. When it started to operate?

The WITNESS. Yes.

The COURT. And if you read that last paragraph as to its termination, I suppose your guess would be about as good as any.

The WITNESS. I wouldn't know how to interpret that last.

The COURT. That would be a pretty good paragraph to give to some able jurist.

The WITNESS. Yes.

The COURT. Is there any purpose in drafting that paragraph that way, as far as you know?

The WITNESS. No, sir.

The COURT. This is off the record.

(Discussion off the record.)

(Witness excused.)

12:50 p. m.

ROSE McQUILLAN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBET:

Q. What is your full name, please?—A. Rose McQuillan.

Q. And where do you live, please?—A. 14077 Glenwood.

Q. And you are employed by Briggs Manufacturing?—A. Briggs Manufacturing.

Q. How long have you been so employed?—A. Eighteen years.

Q. In what capacity are you employed?—A. Right now I am assistant secretary to Mr. Burt.

Q. And were you also assistant secretary to Mr. Burt when he was secretary to Mr. Cleary?—A. That's right.

Q. And how long were you assistant secretary, shall we say, to Mr. Cleary?—A. Since October 1943.

Q. Did you ever meet a Mr. Renda?—A. Yes; I have.

Q. At the Briggs Manufacturing plant. And do you recall when you first heard of or met Mr. Renda?—A. Well, I don't know exactly. It was in the spring of 1945.

Q. The spring of 1945, would that be on or about April 1st?—A. Around there.

Q. Now, you made some notes, or thought you had some notes when we talked

to you before, when you thought you might be able to check up on that.—A. I looked through my books, but I haven't kept them that long.

Q. But the best of your recollection was you met Mr. Renda sometime in the spring of 1945?—A. That's right.

The COURT. Would you say as early as March?

The WITNESS. It could have been.

By Mr. GARBNER:

Q. And what was the occasion that you saw him first, or how did you happen to see him at that time?—A. Well, the lobby called and said they had a Mr. Renda to see Mr. Cleary, and I told Mr. Cleary, and in the course of time—I don't know if it was right away—if he was busy he had to wait till he was not busy. Then I called the lobby and had them send Mr. Renda in.

Q. That was during the war?—A. Yes, sir, that time, yes.

Q. At that time it was necessary to sign the record down at the desk?—A. Yes.

Q. In order to get into the factory?—A. Yes.

Q. And did Mr. Cleary expect Mr. Renda?—A. That I am not sure.

Q. Did he seem to know who Mr. Renda was when you told him?—A. Yes, sir, he told me to have him come in, and when he did come in, he shook hands with him and sat down to talk.

Q. Were you present when they were talking?—A. In the outer office.

Q. Did you hear any conversation?—A. No.

Q. Were you ever asked to make any stenographic notes of the conversation?—A. No.

Q. Any memorandum made of the deal?—A. No.

Q. When Mr. Renda was present with Mr. Cleary?—A. No.

Q. Do you know of a contract that was entered into by Mr. Cleary and the Renda Company?—A. I saw it on his desk.

Q. Now, I show you Grand Jury Exhibit 1, and ask you when you first saw that contract on Mr. Cleary's desk.—A. Well, I don't know if this is exactly the same, but there was one on his desk for several months.

The COURT. Look at the last page. Do you see Mr. Cleary's name there?

The WITNESS. Yes.

By Mr. GARBNER:

Q. Is that his signature?—A. Yes, sir.

The COURT. Was that instrument typed up in your office?

The WITNESS. No, Mr. Renda had these typed up, and brought it in.

The COURT. How do you know?

The WITNESS. I know one time it was changed. Mr. Renda sat at Mr. Burt's desk, made some notes, took it out, said he would have it changed and brought it back.

By Mr. GARBNER:

Q. So Mr. Cleary and Mr. Renda discussed a contract and some notes were made, and then Mr. Renda brought in a subsequent contract, apparently with the corrections made, is that true?—A. Yes.

Q. You wouldn't say whether this Grand Jury Exhibit 1 is the corrected copy?—A. The first or second, I wouldn't know.

Q. Then after it was corrected, did it remain on Mr. Cleary's desk for some time?—A. I think that was about the time that Mr. Cleary signed it.

Q. That was about the time he signed it?—A. Yes.

Q. And were you ever present or did you ever add any bids on to the bid sheets presented for scrap materials brought in by Mr. Herbert?—A. No, they were typed in Mr. Herbert's department.

Q. Did you know certain bids were added on for the Renda Company in Mr. Cleary's office?—A. No, I didn't know that.

Q. You didn't type any of those?—A. No.

Q. You understand what I am taking about?—A. Yes.

Q. But you were never asked to do that?—A. No.

Q. Did you ever have any conversation with Mr. Cleary as to who Mr. Renda was?—A. No.

Q. Did you ever hear Mr. Cleary express or make this statement, rather, that Mr. Renda was king of the waps?—A. No, Mr. Burt told me that, but I never heard Mr. Cleary say it.

Q. When did Mr. Burt tell you that?—A. Oh, on or about the time he started to come to the office.

Q. Did you ever make any inquiry then on your own, after you were told this man was king of the wops, as to who he was, where he came from?—A. Oh, I have several times asked Mr. Burt where he came from and why.

Q. What answer were you given?—A. He didn't know.

Q. Did you think it was funny Briggs was engaging in business with the king of the waps?—A. Well, I don't know how to answer that.

Q. Well, did you or didn't you?—A. I didn't think much about it.

The COURT. You could only answer it one way, couldn't you? What is the difficulty about it?

The WITNESS. No difficulty about it. I just wouldn't know what difference it made.

By Mr. GARBER:

Q. Burt told you that Cleary told him Renda was the king of the waps?—A. Well, I felt that if Mr. Cleary had anything to do with it, it was all right. I never questioned it.

Q. In other words, you had explicit confidence in Mr. Cleary?—A. Mr. Cleary had a reputation of that.

Q. Woman's curiosity wouldn't you wonder just a little bit why they were doing business with a fellow like that on an important contract?—A. Well, we have so many people coming in to the office, I didn't stop to think about it.

Q. Do you have the king of the Greeks or king of the Syrians that you do business with?—A. No, Jewish vendors come in there.

Q. Didn't you know the same Jewish vendors were continuing to take out the scrap, even though the contract was entered into with Mr. Renda?—A. No.

Q. Do you know that now?—A. No, I don't know it.

The COURT. How long have you been in that office?

The WITNESS. October 1943.

The COURT. How long have you been with Briggs?

The WITNESS. Eighteen years.

The COURT. Of course, I take it you make observation when you go inside?

The WITNESS. I was in a different department. I was in the estimating department. During the war I was transferred to the purchasing.

By Mr. GARBER:

Q. Do you ever draft the contracts for the Briggs on Mr. Cleary's orders?—A. I think only once I did, when Mr. Burt was out I typed a contract—W. Wood Company, I believe it was.

Q. Who signed that contract?—A. Mr. Cleary.

Q. Did he use the seal of the corporation on it?—A. I don't remember that.

Q. Have you ever seen any contracts entered into by Briggs?—A. Yes, I have seen them.

Q. Well, do they have the seal of the corporation on them, or are they signed like that?—A. Those I have seen are signed like that.

Q. Not dated?—A. No, they have been witnessed.

Q. And dated?—A. Yes, Burt and I used to witness them.

The COURT. Do you know Cleary's signature?

The WITNESS. Yes.

The COURT. That's it on Exhibit 1?

The WITNESS. Yes.

The COURT. Do you know Renda's signature?

The WITNESS. No.

By Mr. GARBER:

Q. Were you ever present at any meeting or did you ever take any memorandum any place in the Briggs Manufacturing, when you took notes on this contract of Carl Renda Company and Briggs?—A. No.

Q. Did you ever see any such memorandum or notes?—A. No. You see, those records were checked in Mr. Herbert's office, and then he would bring them up to Mr. Cleary in a folder. They would go in and discuss them, and then sometimes he would take them back with him.

Q. Well, I show you Grand Jury Exhibit 2. Where was that prepared, the first two pages of that?—A. I would say Mr. Burt typed it.

Q. Yes. So some of the records as to this was prepared in your office?—A. That's right.

Q. Are there any other records that you know of, outside that, that were prepared relative to the Renda contract in your office?—A. I don't recall any.

The COURT. You write shorthand, do you?



The WITNESS. No.

The COURT. Do you run a machine?

The WITNESS. A typewriter.

The COURT. But you are not a stenographer?

The WITNESS. Well, I have studied it, but I haven't worked at it.

By Mr. GARBER:

Q. Do you remember anyone else ever coming in with Mr. Renda?—A. It seems to me that at the time they signed this contract, he brought somebody in with him, but I don't know who it was.

Q. Do you know what that man's name was?—A. No; I don't.

Q. Does Charles Martin strike a responsive chord in your mind?—A. Yes; it does.

Q. Do you think that was the man with him?—A. I seem to have heard that name before.

Q. Where did you hear it?—A. I mean someone came in with that name.

Q. And talked to who?—A. Well, I think it may have been the man that came in with Mr. Renda, but I am not sure of that.

Q. Was there only one man or more?—A. I only remember on one occasion he brought someone in with him.

Q. Did you ever hear discussed in the office the relationship between Mr. Renda and anyone else? Did you ever hear discussed who Mr. Renda was related to, in your office?—A. No; Mr. Burt and I had talked of it, we wondered how he got the business, but further than that we never discussed it with anyone outside.

Q. You never discussed it in the presence of Mr. Cleary?—A. No.

Q. I will show you this picture and ask you if any one of those three men are the man that accompanied Mr. Renda into the office?—A. No, definitely not.

Q. What?—A. No, sir.

The COURT. Did you ever hear the name Perrone mentioned?

The WITNESS. No.

The COURT. Either by Mr. Cleary—

The WITNESS. No, I never did.

The COURT. Or anyone else in your office.

The WITNESS. No, sir.

The COURT. How many times did you see Renda in the office?

The WITNESS. Gee, I wouldn't be able to answer that.

The COURT. Five or more?

The WITNESS. Oh, yes; he's been there more than five times.

The COURT. I mean—

The WITNESS. In Mr. Cleary's day, you mean?

The COURT. Yes, in Mr. Cleary's day.

The WITNESS. Yes, five or more, I would say.

The COURT. That is, five would be a minimum, anyway?

The WITNESS. Yes.

The COURT. Sometimes he was alone?

The WITNESS. Always alone except this one time.

The COURT. That's the day the contract was signed?

The WITNESS. I wouldn't be sure of that either.

By Mr. GARBER:

Q. When do you think the contract was signed?—A. I think it must have been in 1946.

Q. What month?—A. Well, I wouldn't be able to say that. See, Mr. Cleary died the first of June. Shortly before that, I would say.

The COURT. What kind of a looking fellow was this man that came in with Renda that day?

The WITNESS. I don't recall.

By Mr. GARBER:

Q. Would you say he was Italian or Jewish?—A. I wouldn't think he was either.

The COURT. You note on that contract. Exhibit 1, Renda's name is signed first, and Cleary signed below him on behalf of the Briggs Company. Where was Cleary when he signed that contract?

The WITNESS. In his office.

The COURT. And was Renda there at the same time, they both signed together?

The WITNESS. Well, I don't know that.

The COURT. Was there a copy of that contract that Renda got?

The WITNESS. A copy in our files.

The COURT. This contract comes from your files?

The WITNESS. Evidently.

The COURT. Did Renda get a copy?

The WITNESS. I imagine he would.

By Mr. GARBER:

Q. Do you know that?—A. No.

Q. When you saw it on Mr. Cleary's desk, how many copies were on the desk?—A. I didn't look.

Q. Well, was there more than one or just one?—A. I would say just one.

The COURT. What was the cause of this contract laying on Cleary's desk for so long a time before he signed it?

The WITNESS. Well, Mr. Cleary very seldom acts on anything immediately. He was in the habit of leaving papers there for some time.

The COURT. How long did the contract lie on his desk before he signed it, do you know?

The WITNESS. Several months.

The COURT. Looking at that picture again, did you ever see any of those gentlemen around the plant at all?

The WITNESS. No.

The COURT. Did you ever see Renda come up in a car?

The WITNESS. No. Our office isn't near the front of the building.

The COURT. You would not know if there was anybody left in the car then?

The WITNESS. No.

By Mr. GARBER:

Q. Who did you talk to about this since you were down here last Monday?—A. No one.

Q. Did Mr. Robinson talk to you?—A. No.

Q. Mr. Cochrane?—A. No.

Q. Did you talk to Mr. Cochrane about it?—A. No, only to tell him I came down.

Q. What did you tell him?—A. I asked him what it was all about, and he said he didn't know—all there was to it.

Q. Did he ask you what you were asked, what we were talking about?—A. No.

Q. Did he seem to know?—A. He asked us what the nature of it was. We told him, Renda, that's all.

Q. What did you tell him?—A. Just that it was about Mr. Renda.

The COURT. Do you know Dean Robinson?

The WITNESS. Yes.

The COURT. I don't mean know of him. Have you met him?

The WITNESS. Yes.

The COURT. Have you been in his office?

The WITNESS. He's been in our office.

The COURT. He's been in your office?

The WITNESS. Yes.

The COURT. Do you know who gave Mr. Cleary instructions to sign this contract, Exhibit 1, on behalf of Briggs?

The WITNESS. That's the \$64 question. That's what I would like to know. We don't know that.

The COURT. You have no idea?

The WITNESS. No.

The COURT. Do you know George Herbert?

The WITNESS. Yes.

The COURT. You have known him for a long time?

The WITNESS. Well, I have known him all the years I have been at Briggs, but I didn't know him to talk to until I started to work in Mr. Cleary's office, and then he would come in there, and if the boss was busy, he would wait in our office, talk to us sometimes.

The COURT. He was a gentleman always in your presence?

The WITNESS. Oh, yes.

The COURT. He held a responsible position there?

The WITNESS. Yes, sir.

The COURT. For many years?

The WITNESS. That's right.

The COURT. His reputation was good around the plant?

The WITNESS. Yes.

The COURT. Do you know why he was discharged?

The WITNESS. No.

The COURT. Do you know when he was discharged?

The WITNESS. I don't know the exact date, but it was after—

The COURT. January 7, 1946, would that be about the date?

The WITNESS. That would be about right. I know it was after this Renda business had been started.

By Mr. GARBER:

Q. Did you ever talk to Mr. Herbert about this Renda matter?—A. No, I don't recall that I have.

Q. Did he ever tell you anything about it?—A. No.

Q. Do you know whether or not an audit was made by the Federal Government as to what became of their scrap and what was paid for it?—A. No.

Q. Did you ever hear of it?—A. I never heard of it.

The COURT. Do you know anything else about this transaction we are talking about here, other than you have given us?

The WITNESS. No. It was always a mystery to me. I never understood it, and didn't bother much with it. I sort of figured if they didn't want me to know, that was all right too.

The COURT. Grand Jury proceedings are kind of quiet and mysterious.

The WITNESS. Yes.

The COURT. But when you get a contract that falls in that category, you start looking for the \$64 question. Some day we will give you the answer.

The WITNESS. I still don't know what it's all about. Am I not supposed to know?

Mr. GARBER. No. You told us all you know about it?

The WITNESS. Yes, sir.

Mr. GARBER. I hope we don't find out any different.

The WITNESS. Unless I find out after today, that's all there is.

Mr. GARBER. Well, if you do, we will still expect you to tell us, and we are going to warn you, you are under oath now.

The WITNESS. Yes.

Mr. GARBER. You have taken an oath here to keep everything you have learned, what you have told us, a secret. That goes for Mr. Cochrane, Mr. Robinson, everyone else. So you have a perfectly good alibi if an inquiry is made, you can't talk.

The COURT. We want to know what you know and what you don't know, and when we add them up, we will have the picture. But you are strictly under a Grand Jury subpoena.

The WITNESS. I still am?

The COURT. Subject to being recalled any time we call you. We will give you ample warning. Keep what you have testified here locked up in your mind. Do not discuss it with anybody. If Mr. Cochrane wants to know if you have been down here, tell him. If he wants to find out what you testified to—

The WITNESS. Don't tell him.

The COURT. If you did tell him, you would violate your oath, and there would be trouble.

(Witness excused.)

WELLINGTON R. BURT, having been by the Court previously duly sworn, was recalled, examined, and testified further as follows:

Examination by Mr. GARBER:

Q. Mr. Burt, relative to this contract, which is Grand Jury Exhibit 1, is that the first contract that Renda ever presented to Mr. Cleary?—A. I couldn't tell you that. That's the only one I ever seen.

Q. Weren't you called in to take certain notes, or weren't you present when certain notes were made as to changes in the contract?—A. I wasn't in there, but I remember he rewrote this.

Q. What was the occasion for rewriting it?—A. I don't know. I wasn't in on it at all. I know nothing about it, but I know it was rewritten.

Q. Now, when you talk about this contract being there over a year, was that the first contract that was subsequently changed?—A. No; it was this one. It may be. I will take that back. I don't know.

Q. You don't know whether that contract you saw there was Grand Jury Exhibit 1 or the one that was corrected?—A. I thought it was this one.

Q. How many copies did you see?—A. Just one.

Q. Do you know when Mr. Renda received his copy?—A. No; I do not.

Q. Could Mr. Cleary have signed Mr. Renda's copy some time previous to this one, and that was left there until it was filed?—A. Yes.

Q. The exact date that contract went into operation you don't know?—A. No.

Q. Mr. Renda could have had a signed contract by Mr. Cleary and himself for months before this was filed?—A. Yes.

Q. You only recall one contract that was later filed by you on his desk?—A. Yes.

Q. Do you recall when those notes were made or some conversation was had as to changes in the contract?—A. No; I do not.

Q. Well, how long would it be before April of this year?—A. I couldn't even say. I wouldn't want to venture a guess.

Q. Some time?—A. Well, it must have been some time.

Q. Well, have you any idea how long?—A. No; I do not. I didn't pay any attention to this, because I had nothing to do with it.

Q. You don't know when Mr. Renda may have received his signed contract, signed by both parties?—A. No; I don't.

Q. But you only recall seeing one copy on Mr. Cleary's desk?—A. Yes.

Q. Do you recall at any time when two people came in about this contract?—A. No; I do not.

Q. You don't remember another man coming in?—A. I know the name Martin was brought up. I don't even remember seeing anyone by that name.

MR. GARBER. All right; that's all.

(Witness excused.)

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, December 2nd, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

9:00 p. m.

CHARLES MARTIN, being by the Court first duly sworn, was examined and testified as follows:

Examination by MR. GARBER:

Q. Your name is Charles Martin?—A. That's correct, sir.

Q. Where do you live?—A. I live at 650 Gladstone.

Q. Married or single?—A. I am married.

Q. Where were you born?—A. In Detroit.

Q. And what year were you born?—A. In 1908.

Q. In 1908. You are 38 years old now?—A. Yes, sir.

The COURT. What day and month?

The WITNESS. March 27.

The COURT. Where were you born?

The WITNESS. In Detroit, on Adelaide Street.

By MR. GARBER:

Q. You were born Charles Margolis?—A. Yes, sir.

Q. When did you change your name?—A. I think it was in 1930.

Q. 1930?—A. Yes, sir.

Q. What education have you had?—A. I went through public school, high school—

The COURT. What high school?

The WITNESS. Northern High School.

The COURT. Did you graduate?

The WITNESS. Yes, sir.

The COURT. What year?

The WITNESS. In—I believe it was 1922, your Honor.

By Mr. GARBER:

Q. What other schools did you attend?—A. University of Detroit, city of Detroit.

Q. How long did you go there?—A. Six months.

Q. What did you take there?—A. Commerce and Finance.

Q. And where else did you go to school?—A. The Wayne University.

Q. What did you study at Wayne?—A. A lit course.

Q. How long?—A. Six months.

Q. Where else?—A. Detroit College of Law.

Q. When did you enter the Detroit College of Law?—A. In 1925.

Q. How long did you go?—A. For three years.

Q. Did you graduate?—A. No, sir.

Q. And you are not a graduate attorney?—A. No, sir.

Q. But you did have three years' training at the Detroit College of Law?—A. Yes, sir.

The COURT. You never were admitted to the bar?

The WITNESS. No, sir.

The COURT. Anywhere?

The WITNESS. No, sir.

By Mr. GARBER:

Q. What business training have you had?—A. I was in the waste-material business and the wiping cloth business.

Q. And when did you first start into the so-called scrap business?—A. When I was about 13 years old, I got some training from my father's place.

Q. Where was your father's place located then?—A. At that time 8931 Greeley, in Detroit.

Mr. MOLL. Under what name did he conduct business?

The WITNESS. Harry Margolis.

Mr. MOLL. What was the nature of his business?

The WITNESS. He was in the general junk business.

Mr. MOLL. Wiping rags?

The WITNESS. Yes, every phase of waste materials.

Mr. MOLL. That's where you had your early training?

The WITNESS. Yes.

The COURT. But you didn't continue that training during your days of school and college?

The WITNESS. Yes, I did to a certain extent, your Honor.

The COURT. You got through college in 1925?

The WITNESS. 1928, your Honor.

The COURT. Were you ever in the Army?

The WITNESS. Yes, sir.

By Mr. GARBER:

Q. When were you taken into the army?—A. I wasn't taken in. I volunteered.

Q. When did you volunteer?—A. June 1941.

Q. When did you get out of the army?—A. 90 days after that, for over-age. I was placed in the Reserve Corps and recalled after Pearl Harbor.

Q. When did you get out of the Army permanently?—A. In December 1943.

The COURT. Where were you mustered out?

The WITNESS. From Kennedy General Hospital.

The COURT. Where is that located?

The WITNESS. Memphis, Tennessee.

The COURT. Where did you spend most of your time while you were in the army?

The WITNESS. At Fort Knox and Fort Sheridan, and another camp near Leesville, Louisiana, and Memphis, Tennessee.

The COURT. What was your rating when you got out of the army?

The WITNESS. Master Sergeant.

The COURT. How did you get out; what was the cause?

The WITNESS. Heart ailment.

The COURT. A medical case?

The WITNESS. Yes.

The COURT. Are you on pension?

The WITNESS. No, sir; I never applied for pension.

The COURT. Are you in the reserve now?

The WITNESS. No, sir.

The COURT. When you got out, how old were you?

The WITNESS. Practically 36.

The COURT. And you at that time were not married?

The WITNESS. No, sir.

The COURT. When were you married?

The WITNESS. I got married July 20th.

The COURT. What year?

The WITNESS. This year, sir.

The COURT. And where did you say you live?

The WITNESS. 650 Gladstone.

The COURT. 650 Gladstone?

The WITNESS. Yes, sir.

The COURT. Detroit or Highland Park?

The WITNESS. Detroit.

The COURT. Do you live with your wife?

The WITNESS. Yes, sir.

The COURT. What's that, an apartment building.

The WITNESS. Yes, sir.

The COURT. All right.

By Mr. GARBER:

Q. Then you had some further training in the scrap business when you were a young man; is that right?—A. That's right; yes.

Q. And when did you really go in the scrap business, that is, as you are now?—

A. Prior to my entering the army, and after I was discharged from the army.

Q. And at the present time you are in the scrap business?—A. Yes.

Q. Under what name?—A. Continental Waste Products Company.

The COURT. What were you doing from 1928 till 1942, Pearl Harbor?

The WITNESS. Working for another scrap material company.

The COURT. Did you continue from 1928 in the scrap metal business?

The WITNESS. Not in the scrap metal business. The other company.

The COURT. What?

The WITNESS. Detroit Waste Products.

The COURT. Where were they located?

The WITNESS. 1415 Orleans.

The COURT. Where are they now?

The WITNESS. The gentleman has given up business and moved to California.

By Mr. GARBER:

Q. Who ran that?—A. Mr. Arthur Harris.

Q. Where is he living now?—A. In California.

The COURT. What part?

The WITNESS. I don't know. I haven't corresponded with him.

By Mr. GARBER:

Q. So you have been in the scrap business from 1928 up to the present time?—

A. That's right, for myself.

Q. Is your firm an assumed name, corporation, partnership, or what?—A. Assumed name.

Q. Is it registered?—A. Yes, sir.

Q. You are the sole owner?—A. Yes, sir.

Q. Where is your place of business?—A. 6432 Cass Avenue.

Q. Is that a secretarial-service office?—A. No, sir. I have an office in the New Center Secretarial Service Building.

Q. Do you occupy that office alone?—A. I don't occupy it alone. There's a shortage of office space. There's another gentleman in that office.

Q. Who is the other gentleman?—A. Mr. Tommy.

Q. Who is he?—A. Working for a company that makes banking equipment.

Q. When did you first meet Sam Perrone?—A. Oh, back in 19—somewhere between 1920 and 1925.

Q. And how did you happen to meet Sam Perrone?—A. From being in the scrap business.

Q. And where did you meet him?—A. At the Detroit-Michigan Stove Works.

Q. Did he have charge of the scrap at that time?—A. He told me he had the contract for the purchase of the scrap there.

Q. And you purchased scrap from him?—A. Yes, sir.

Mr. MOLL. That was in 1920, you say?

The WITNESS. No; I said sometime between 1920 and 1925. I don't remember the exact year.

Mr. MOLL. Over 20 years ago.

The WITNESS. Yes; well, it was about 20 years ago, I would say.

By Mr. GABBER:

Q. Approximately 20 years ago you met him. Did you become quite friendly with him?—A. As time went on; yes, sir.

Q. When did you first meet James Renda?—A. About ten or fifteen years ago.

Q. Who is James Renda?—A. An uncle of Carl Renda.

Q. How did you happen to meet James Renda?—A. I was over to his home for dinner, but once I saw Mr. Perrone on business, Mr. Renda was with him, and he introduced me to him.

Q. How did you get an invitation to James Renda's home?—A. From Mr. Perrone.

Q. Where was his home?—A. Over in Canada.

Q. Near what town?—A. I believe its Riverside; I am not sure.

Q. Well, just a chance meeting, and then you were invited over to dinner: is that it?—A. Well, it wasn't then and there. I was invited probably a few months subsequent to that; I was invited over.

Q. Had you met Mr. James Renda in between that time?—A. No, sir.

Q. What was James Renda's business?—A. I don't know, sir.

Q. You never found out?—A. No.

Q. What nationality is James Renda?—A. Italian.

Q. What did he appear to do?—A. I couldn't judge from his appearance what business he was in.

Q. Did he have a nice place over there?—A. Yes, sir.

Q. But you never inquired what his business was?—A. No, sir.

Q. Or how he made his livelihood?—A. No, sir.

Q. Were there many Italian people attended this dinner?—A. No, Mrs. Perrone; I believe his daughter was there, and Mr. Renda's children, and Carl was there.

Q. Carl Renda?—A. Yes.

Q. How old was Carl then?—A. I would say around 15.

Q. So you have known Carl Renda since he was a boy of 15; is that right?—A. Yes.

Q. Now, are you entertained by the Perrones, go to their home, go out with them socially?—A. I go out with the Rendas.

Q. I am talking about Sam Perrone.—A. Outside being over to his brother's summer home, they were over there.

Q. What is his brother's name?—A. Casper.

Q. And what is the other brother's name?—A. Matthew.

Q. You know all three of them?—A. Yes, sir.

Q. How long have you known the two brothers?—A. Well, I have known Casper as long as I knew Sam, and Matthew, I believe I have known him for seven or eight years.

Q. What did Casper do?—A. Casper worked at the Stove Works.

Q. What did he do over there?—A. Well, he works in the core room.

Q. What did the other brother do?—A. Matthew worked in the core room.

Q. Which one is deceased?—A. Matthew.

Q. Matthew is dead?—A. Yes, sir.

Q. And all three worked for the Michigan Stove Works?—A. Yes, sir.

Q. And how many years did you know them that they worked over there?—A. Since I made Mr. Perrone's acquaintance.

Q. 20 years?—A. I would say about that long.

Q. And you are quite a little bit older than Carl; are you not?—A. Yes, sir.

Q. And did you continue to be friendly with Carl over the years, or did he get away from you?—A. I think he got away after he went to school at Albion.

Q. What school did Carl go to?—A. He told me he went to Albion College.

Q. Where did he go to high school?—A. That I don't know.

Q. Did he go here in Detroit?—A. I don't know.

Q. When did he go to Albion College?—A. The exact years I don't know.

Q. Do you know when he graduated?—A. No, sir.

Q. When did you next meet him in a business way?—A. In a business way, I met him when I returned from the Army. I was invited to the Perrone house, and I learned he had married Sam Perrone's daughter.

Q. That happened while you were in the service?—A. Yes, sir.

The COURT. How did he know you were back?

The WITNESS. Mr. Perrone used to be in contact with my mother. After my father passed away, he would always call her up and ask about me.

The COURT. He was solicitous about you?

The WITNESS. Well, he was interested, I suppose.

The COURT. Where did your mother live?

The WITNESS. On Rochester, sir.

The COURT. What part?

The WITNESS. 3290 Rochester.

The COURT. Is she living there now?

The WITNESS. Yes.

The COURT. She's a widow?

The WITNESS. Yes.

Mr. GARBER. Near Dexter?

The COURT. Are there any other children?

The WITNESS. I have a brother and sister.

The COURT. Where is your brother?

The WITNESS. My brother lives in Los Angeles, California, and my sister lives in the same apartment building.

The COURT. With you?

The WITNESS. No, sir; with my mother.

The COURT. What is your brother's first name?

The WITNESS. Jack.

The COURT. What is his address in California?

The WITNESS. I don't know, your Honor.

By Mr. GARBER:

Q. Does Carl Renda have any brothers?

The WITNESS. I met one brother by the name of Busty.

Q. What's his last name, Renda?—A. I assume, Renda. He told me it is his half brother.

Q. Where does he live?—A. Detroit.

Q. By whom is he employed?—A. By Carl Renda.

The COURT. How old is Carl Renda?

The WITNESS. I should judge around 30.

The COURT. When did you say you got out of the army?

The WITNESS. In December 1943.

The COURT. How soon after you came back from the army did you meet Carl Renda?

The WITNESS. I would say it was two or three months after.

The COURT. What was he doing then? What was his business?

The WITNESS. He was employed at a tool company.

The COURT. Where?

The WITNESS. National Twist Drill Company.

The COURT. Up there on——

The WITNESS. The Boulevard and Brush.

The COURT. The Boulevard and Brush.

The WITNESS. Yes.

The COURT. What was he doing in there?

The WITNESS. I don't know. I believe he was working in the shop. I didn't ask him.

The COURT. That was in what part of 1943?

The WITNESS. Well, I got out in December of 1943.

The COURT. A few months after that you met him?

The WITNESS. I met him at the Perrone home. He was living there.

The COURT. Was he married then?

The WITNESS. Yes, sir, your Honor.

The COURT. Where was the Perrone house located?

The WITNESS. Yorkshire.

The COURT. What number?

The WITNESS. 1210.

The COURT. He was then only recently out of college?

The WITNESS. I don't know when he completed college, your Honor.

The COURT. Was he in the army?



The WITNESS. No, sir.

The COURT. If he wasn't, you don't know why he wasn't?

The WITNESS. He told me, when I came over to visit them, he had ulcers.

The COURT. He never served in the army, or any of the armed forces?

The WITNESS. Not to my knowledge.

The COURT. You say you met him at the cottage, the Canadian cottage?

The WITNESS. Yes, his uncle's home.

The COURT. Where is that? You have been over there a lot of times?

The WITNESS. Only twice.

The COURT. Once since the war, once before you went to war, you have been there?

The WITNESS. I met him before the war.

The COURT. I mean, the Canadian cottage of Carl Renda's uncle, you say that is in Riverside?

The WITNESS. Yes.

The COURT. Is Riverside up or down?

The WITNESS. When you come out of the tunnel, you turn left.

The COURT. There's only a few streets in the burg. What street is he on, the water front?

The WITNESS. No; not the waterfront.

The COURT. What street is it?

The WITNESS. I don't know. You turn left.

The COURT. What's the man's name?

The WITNESS. James Renda.

The COURT. Did you ever go to his cottage other than that one time?

The WITNESS. No; I went to Casper's cottage.

The COURT. Where is that?

The WITNESS. In Mount Clemens.

The COURT. Where is that located?

The WITNESS. It is right off the Lakeshore Road.

The COURT. On the shore side or on the other side of the road?

The WITNESS. It's right at the shore.

The COURT. It's right on the Lakeshore Drive?

The WITNESS. No, your Honor. It isn't on the Lakeshore Drive.

The COURT. It's on a street that runs off the shore drive?

The WITNESS. Yes, on a side street that runs off the drive.

The COURT. Down toward the water?

The WITNESS. Yes.

By Mr. GARBET :

Q. You say you were invited over to the Perrone's. Who invited you?—A. Mr. Perrone.

Q. Sam?—A. Yes.

Q. When you got over there, what did you talk about that evening?—A. Well, he asked me how I was feeling and told me that Carl had gotten married.

Q. Was Carl there?—A. Yes, Carl was there, Mary, the whole family.

The COURT. Do you speak Italian?

The WITNESS. No, your Honor.

The COURT. Do they speak English or Italian?

The WITNESS. English.

By Mr. GARBET :

Q. Did he ask you what you were doing?—A. He asked me if I was in the same line of business, and I told him I was.

Q. That is the scrap business?—A. Yes.

Q. What conversation did you have relative to the scrap business? What did he ask you about?—A. I asked him how the scrap business was during the war while I was gone.

The COURT. Why did you ask him that?

The WITNESS. Because it was of interest to me.

The COURT. Is he in the scrap business?

The WITNESS. Yes.

The COURT. Which one of the Perrones?

The WITNESS. Sam.

The COURT. He's in the scrap business?

The WITNESS. Yes.

The COURT. Where is he operating from?

The WITNESS. From the Detroit, Michigan Stove Works.

The COURT. I see. All right.

By Mr. GARBER:

Q. Well, was there anything said at that time about Carl going in the business?—A. Not that I can recall that there was anything said about it.

Q. When were you first informed about Carl going in the business?—A. Sometime last year, Carl told me that he contemplated going into the scrap business.

Q. Did he say why he had?

The COURT. You say sometime last year. That's 1945?

The WITNESS. I believe it was.

The COURT. What part of the year?

The WITNESS. I believe the early part of the year.

The COURT. The first quarter?

The WITNESS. I believe it was.

The COURT. In the winter?

The WITNESS. Yes.

The COURT. And where were you?

The WITNESS. I was on 6432 Cass Avenue.

The COURT. What's that?

The WITNESS. That's my office out there.

The COURT. And he came in?

The WITNESS. No, he called me.

The COURT. He called you up?

The WITNESS. Yes, and told me he was contemplating going into the scrap business.

The COURT. Up to that time, he didn't know it?

The WITNESS. No.

By Mr. GARBER:

Q. Did he own any trucks?—A. No.

Q. Did he have any office?—A. No, sir.

Q. Did he have any equipment or experience to go in the scrap business?—

A. No. He didn't have any trucks.

The COURT. In your opinion, how old was he?

The WITNESS. Today?

The COURT. In the early part of 1945.

The WITNESS. About 28 or 29.

The COURT. And he was working in—

The WITNESS. The National Twist Drill Company.

The COURT. The National Twist Drill Company. You don't know what he was doing in there?

The WITNESS. No, your Honor.

The COURT. But you knew he was married to Perrone's daughter?

The WITNESS. Yes.

By Mr. GARBER:

Q. That's the first you knew he was ever interested in the scrap business?—

A. That's correct.

Q. And what did he want you to do?—A. He wanted me to—he wanted to know if I wouldn't give him some assistance, tell him the value of scrap or tell him where to dispose of material.

Q. Did he bring over a list of materials that was being sold as scrap by the Briggs, and ask you to price it for him?—A. He brought over a list of materials, such as scrap iron, metals, waste paper, and trim.

The COURT. Now, here, he called you up at your office on Cass Avenue?

The WITNESS. Yes, sir.

The COURT. You knew members of his people-in-law's family?

The WITNESS. Yes, sir.

The COURT. You knew he was only an employee of the National Twist Drill?

The WITNESS. Yes, sir.

The COURT. He had no experience in the scrap metal business?

The WITNESS. No.

The COURT. And now the telephone conversation resulted in him coming over to see you?

The WITNESS. Yes.

The COURT. Give us that conversation. Here's a young man talking to you, a young man with no experience. Did you say, "What are you trying to go into the scrap business for? You don't know anything about it, you have no equipment. You are going into it. Show us your hand"?

The WITNESS. He said on account of his stomach condition, he couldn't work in a factory, and that he had an opportunity to pick up a good account that accumulated scrap materials, and that he was contemplating going into the scrap business, and would I give him assistance in the event that he needed it as to prices on different items of scrap.

By Mr. GARBET:

Q. That was a telephone conversation?—A. Yes, sir, that was the first I learned of it.

Q. And you think that was in the early part of 1945?—A. That's to the best of my knowledge.

Q. Did he bring over a list of materials?—A. Then he showed me a list of the different materials they were accumulating.

Q. Did he tell you where they were accumulating?—A. He told me they were accumulating at Briggs.

Q. Was it quite a sizable list?—A. Yes, it was.

Q. What was on that list?—A. Ferrous, nonferrous metals, trims, and waste paper.

Q. Waste rags, all that sort of thing?—A. Yes, sir.

Q. Did you set up some figures for him?—A. As to the value of the cotton rags and waste paper. As to the value of ferrous and nonferrous metals, I did not set up any figures.

Q. Who did?—A. I don't know.

Q. Did you go over with him?—A. No, I didn't.

Q. When is the first time you went over to Briggs?—A. The first time we went over the Briggs, he had purchased two truckloads of waste paper. The waste paper went down to the mill and he received a charge back for inferior waste paper. The waste paper consisted of tar paper that had no mill value, so the mill charged back for the weight of the tar paper. He asked me what he should do in a case like that. I asked him what the trouble was. He told me. I said, "I suggest that you take the matter up with Briggs Manufacturing and explain to them the OPA price regulation prohibits selling inferior waste paper and collecting for same." What happened after that, I don't know, but he asked me if I had a copy of the OPA Regulation and I told him I did.

The COURT. Up to that time you hadn't been to Briggs?

The WITNESS. No, sir. The first time I was in Briggs, was when the dispute arose on the tar paper, and I was called in to explain the OPA regulation to Mr. George Herbert.

The COURT. When he asked you for your advice on waste material, did you give it to him without compensation, without a deal, or just give it to him as a friend?

The WITNESS. In the first place, your Honor, I gave it to him for friendship's case.

The COURT. You didn't continue that very long?

The WITNESS. Pardon?

The COURT. You didn't continue that free advice very long?

The WITNESS. Well, he would call me up every now and then at different intervals, asking the value of different materials.

The COURT. Did that result in a deal between you and him?

The WITNESS. No, sir. The only thing he told me, anything he would purchase from Briggs, if I was in position to meet the price on material, what he would get from somebody else, he would give me the business.

The COURT. That's all.

The WITNESS. That's all. I didn't start getting business from him up till about six months ago, because I wasn't in position to meet price competition.

The COURT. I may be ahead of Mr. Gerber, but when did he first get the material from Briggs?

The WITNESS. When did I?

The COURT. When did Renda first start to get the material from Briggs, the scrap?

The WITNESS. I believe it was the early part of last year, your Honor.

The COURT. The early part of 1945. Sometime before April 1st or around that.

The WITNESS. To the best of my knowledge, I didn't know the exact date.

The COURT. At that time you had no business dealings with him except from the standpoint of friendship?

The WITNESS. Friendship, giving him advice.

The COURT. Do you know what his deal was with Briggs?

The WITNESS. No. Outside he asked me to draft the contract he was going to get from Briggs for the purchase of the material.

By Mr. GARBER:

Q. Let me refresh your memory a little bit. Now, you didn't have any business with Mr. Cleary at all, did you, Mr. Martin, previous to, well, we will say in February 1945?—A. As far as I can recall, the only business transaction we had—

Q. I am talking about you.—A. Me personally?

Q. Yes.—A. No, sir, I didn't.

Q. Then, why did you go in to see Mr. Cleary on April 9, 1945? Why did you go in and see him?—A. The only reason—I don't know what date it was I went to see him, Mr. Garber—the only reason we went to see him was to explain the OPA regulation on that inferior paper.

Q. Now, that was some time later.

The COURT. Just a minute. Off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Well, did you have any business there on February 19, 1945, to see Mr. Cleary?—A. If I did, I don't remember.

Q. Well, that was before Mr. Renda was buying any material from the Briggs Manufacturing.—A. Mr. Garber, I would like to answer that question. The first time that I saw Mr. Cleary was after Mr. Renda had his contract, and after he was doing business with him. Now, what the exact dates were, to the best of my knowledge, I can't remember.

Q. Now, did you go in, you and Mr. Renda, go in to see Mr. Cleary on April 5, 1945, 10:50 a. m., you were in there for 15 minutes, together?—A. We were in to see him together, but I don't know the date.

Q. Were you back five days later, at 2:00 p. m. for eight minutes?—A. I wouldn't say yes, I wouldn't say no.

Q. Well, answer that: Were you there with him? How many times were you there with Renda?—A. Several times.

The COURT. So you won't get off that beam very far, we know just exactly when you were there.

The WITNESS. Yes, your honor.

The COURT. You have been to law school three years. Watch these questions?—A. Yes, your Honor.

The COURT. You know their significance.

By Mr. GARBER:

Q. Were you there April 12, 1945, to see a Mr. Haywood?—A. I don't know Mr. Haywood.

Q. Did you sign up to go in and see him?—A. I had to sign up every time to go in.

Q. Well, no one else used your name, Renda and Martin?—A. Yes, sir.

Q. Well, did you get in to see Mr. Haywood?—A. I don't know who it was we saw. I don't remember the name.

Q. Well, were you there the 16th of April, about 10:30, to see Mr. Cleary?—A. It is possible I was.

Q. Now, you were there a lot of times when you weren't talking about the tar paper and paper bales?—A. I don't say I was talking about tar paper.

Q. So you started in quite regular the first part of April, to see Mr. Cleary with Renda, right?—A. I don't remember what the date was.

Q. And you were also there in February 1945 to see Mr. Cleary?—A. I saw Mr. Cleary, but what the exact date was, I couldn't say.

Q. What were you there for?—A. I was there once on account of the tar paper, once on account of the trim, and once on account of loading the paper in the cars, instead of loading by truck.

Q. Now, what were you receiving for all this attention you were giving Mr. Renda?—A. I wasn't receiving any compensation whatsoever.

The COURT. What was the promise?

The WITNESS. The only promise there was, your Honor, in case Mr. Renda would buy any material from the Briggs and I could use that material, and met price competition, he would sell it to me.

By Mr. GARBER:

Q. Well, anybody could do that. When did you first draft the first contract?—A. Last year sometime.

Q. When? Let's be specific.—A. I can't remember the date.

Q. How many contracts did you draft?—A. Several.

Q. Now, what was the first one, when?—A. The first contract I drafted was when he had sold some scrap metal to a company.

Q. Who had?—A. Mr. Renda.

Q. I am talking about the one with the Briggs Company.—A. It was last year sometime.

The COURT. The basic contract—the contract between Briggs and Renda.

The WITNESS. The only agreement that I drafted, your Honor, was a proposal to purchase. I believe if you have the agreement, you will note it says, "proposal to purchase by Carl Renda Company from Briggs Manufacturing Company." And I believe that was the first contract that I drafted, if my memory serves me right.

The COURT. Do you know where the front office is?

The WITNESS. On Mack Avenue.

The COURT. Well, where the top flight officers of the Briggs are.

The WITNESS. The only office I was in, your Honor, was Mr. Cleary's office, and I believe Mr. Closter, in charge of termination of war surplus that was sold separately.

By Mr. GARBER:

Q. When were you in Mr. Closter's office?—A. Last year, I believe.

Q. What month?—A. I couldn't recall the month. I believe it was in the early part of 1945.

Q. Who was with you at that time?—A. I went there once myself, because I received an inquiry from Briggs to bid on some surplus material.

Q. Renda was with you?—A. Renda was with me also.

The COURT. Why didn't you say so?

The WITNESS. I was there first and Renda called me up to go with him to look at some surplus material.

By Mr. GARBER:

Let's get back to that contract. You were asked by Mr. Renda to draft a contract?—A. The contract was to cover the purchase of waste materials.

Q. What do you mean by waste materials?—A. All forms of ferrous metals, nonferrous metals, waste paper.

The COURT. You didn't know anything about them?

The WITNESS. No, I didn't.

The COURT. How could you draft a contract about ferrous and nonferrous metals when a few minutes ago you said you didn't know anything about that, only waste paper. Where did you get your dope?

The WITNESS. From the OPA Price Regulation.

The COURT. What was this, the blind leading the blind, going into a big plant like that, negotiating a deal?

The WITNESS. No, your Honor. This contract here was to cover the purchase of all the waste materials that Briggs—

The COURT. Yes, I know, but Renda couldn't talk the language of those men in the plants, the Briggs plant. He didn't know anything about the business, did he?

The WITNESS. No, sir.

The COURT. And you didn't know anything about ferrous and nonferrous metals, because you were only in the waste paper business.

The WITNESS. Waste materials.

The COURT. Who was doing the talking for Renda?

The WITNESS. He was doing the talking for himself. I wasn't talking for him.

The COURT. Who was he talking to?

The WITNESS. To Mr. Cleary.

Mr. MOLL. How did he meet Mr. Cleary; do you know?

The WITNESS. The only thing that he told me was that he knew him socially.

Mr. MOLL. Do you know how he met him?

The WITNESS. No, sir; I do not.

Mr. MOLL. Did he meet him through you?

The WITNESS. No, sir; he did not.

Mr. MOLL. Did you introduce Renda to Cleary?

The WITNESS. No, sir; I met Cleary through Renda.

Mr. MOLL. When did you first meet Cleary?

The WITNESS. When the dispute arose on the waste paper.

Mr. MOLL. What date was that?

The WITNESS. I wouldn't know exactly.

Mr. MOLL. Well, we will find out. What was this waste paper deal you are talking about?

The WITNESS. This waste paper deal was, Carl Renda purchased two truck-loads of waste paper.

Mr. MOLL. And what did he do with it?

The WITNESS. Took it to the mill.

Mr. MOLL. What mill?

The WITNESS. Monroe Paper Products.

Mr. MOLL. And he got a charge-back?

The WITNESS. Yes, sir.

Mr. MOLL. And it was after that transaction with Monroe Paper Products that he went to see Cleary?

The WITNESS. Yes, sir.

Mr. MOLL. And you went with him?

The WITNESS. Yes, sir.

Mr. MOLL. That fixes the date of your first meeting with Cleary?

The WITNESS. Yes, sir.

Mr. MOLL. You had never met Cleary before that?

The WITNESS. No, sir.

Mr. MOLL. In your life?

The WITNESS. No, sir.

Mr. MOLL. Any place?

The WITNESS. Not that I can remember, I never met him any place.

Mr. MOLL. Now, I want that definite. Had you ever met Cleary any place, in any kind of a transaction, before you went to his office with Carl Renda in connection with this waste paper deal?

The WITNESS. I believe it was the first time.

Mr. MOLL. Was it the first time?

The WITNESS. I believe it was.

Mr. MOLL. Do you say it was, or is there any doubt in your mind?

The WITNESS. The only doubt that there might be in my mind is I saw him several times and discussed three or four different matters. One was the loading of waste paper into boxcars, and the other one was on the dispute as to the tar paper, and the other was a discussion about segregation of trim scrap. Now, which time I saw him first, I wouldn't know exactly.

Mr. MOLL. The first transaction you know Renda ever had concerning scrap material was his purchase of these two carloads of waste paper from Briggs.

The WITNESS. No, sir. I knew he was purchasing before he had this dispute.

Mr. MOLL. Where did he start to purchase from Briggs?

The WITNESS. It believe it was sometime last year.

Mr. MOLL. You know it was; don't you?

The WITNESS. Yes.

Mr. MOLL. What time last year?

The WITNESS. I wouldn't know the exact date. It was the early part of last year.

Mr. MOLL. Did he start purchasing before or after you drew the contract for him?

The WITNESS. He started purchasing before I drew the contract.

Mr. MOLL. When did you draw the contract?

The WITNESS. I know it was the early part of the year. What month exactly, I couldn't say.

Mr. MOLL. Have you any office memorandum?

The WITNESS. Yes; I would have an office memorandum.

Mr. MOLL. Will you get it?

The WITNESS. Yes; we can check it at the office, because I dictated it to the girl in the office.

Mr. MOLL. It is available?

The WITNESS. Yes, sir.

Mr. MOLL. You have the girl?

The WITNESS. I don't know if the same girl has done the work. The reason I know it would be available, I had the work charged to Mr. Carl Renda at the time.

Mr. MOLL. All right. That was one of a series of contracts you drew for him?

The WITNESS. Yes.

Mr. MOLL. You can give us the date of the final contract?

The WITNESS. I can give you the date, sir; it was dictated.

Mr. MOLL. Now, before that time, you had drawn other agreements, memoranda?

The WITNESS. Before which time?

Mr. MOLL. Before the final contract.

The WITNESS. Yes.

Mr. MOLL. And the first contract you drew was an offer to purchase?

The WITNESS. An offer to purchase.

Mr. MOLL. What?

The WITNESS. Waste materials.

Mr. MOLL. What kind of waste materials?

The WITNESS. Ferrous and nonferrous metals.

Mr. MOLL. Now, this was after his experience with the two carloads of waste paper?

The WITNESS. I believe it was.

Mr. MOLL. Well, was it?

The WITNESS. I think it was.

Mr. MOLL. Then, so far as you know, the first purchase he ever made from Briggs was the two carloads of waste paper?

The WITNESS. No, sir; it was not.

Mr. MOLL. Well, what was his first contact with Briggs that you know anything about?

The WITNESS. All I know is that he told me he's got the business from Briggs.

Mr. MOLL. What business?

The WITNESS. The waste material business from Briggs.

Mr. MOLL. When did he tell you that?

The WITNESS. The early part of last year.

Mr. MOLL. Did he tell you how he got it?

The WITNESS. He says he knew Mr. Cleary socially, through a social contact, he was getting the business.

Mr. MOLL. Where did he tell you that? Where were you?

The WITNESS. I believe I was in my office when he told me that.

Mr. MOLL. He came in?

The WITNESS. Yes, sir.

Mr. MOLL. Your office on Cass Avenue?

The WITNESS. Cass Avenue.

The COURT. Did that surprise you?

The WITNESS. It did.

The COURT. What?

The WITNESS. It did.

The COURT. Did you know the extent of that type of contract in dollars and cents?

The WITNESS. I had no—I didn't know what it amounted to in dollars and cents.

The COURT. You knew it was a big one?

The WITNESS. Yes, your Honor.

The COURT. Would run into a million and a half a year.

The WITNESS. Several hundred thousand.

The COURT. But in the millions?

The WITNESS. It would be close to it.

The COURT. It would be, wouldn't it?

The WITNESS. I wouldn't know how much scrap iron they were producing, your Honor.

The COURT. You knew it was one of the big plants?

The WITNESS. Yes.

The COURT. You knew he had no experience?

The WITNESS. Yes, your Honor.

The COURT. This young man told you he had the contract?

The WITNESS. Yes, your Honor.

The COURT. You knew he had no equipment?

The WITNESS. Yes, your Honor.

The COURT. What thought did you have in your head? What was the reaction?

The WITNESS. My reaction, how he could get it, and after all, I was in the business 20 years and didn't have a contract like that.

The COURT. You couldn't get it. What was your solution?

The WITNESS. I believed him when he told me he got it through a social contact.

The COURT. With who?

The WITNESS. Mr. Cleary.

The COURT. Don't talk too much about Cleary. You know where Cleary is.

The WITNESS. Yes, your Honor.

The COURT. Don't put too much on a dead man. Did you talk to anybody about this matter before you came in here?

The WITNESS. No, your Honor.

Examination by Mr. MOLL:

Q. Did you ask Renda whether he had bid on this business?—A. No, I did not.

Q. Did you know the purchase of scrap from Briggs up to that time had been competitive?—A. Yes, I did know that.

Q. Did you question him how he had bid?—A. I told him I was quite surprised how he got the material.

Q. He never consulted you with respect to bidding on the material?—A. No, outside asking me the value of the trim material and the waste paper.

Q. How long previous to his telling you he got the contract had he asked you about the trim and waste paper prices?—A. I don't follow that question very well.

Q. He first asked you to give him the prices of trim and waste paper?—A. That's correct.

Q. In connection with his proposed bids to Briggs Manufacturing, right?—A. That's correct.

Q. That's the first knowledge you had he was dickering with Briggs?—A. That's correct.

Q. It was after that time he told you he had gotten a contract for all the waste material from Briggs?—A. That's correct.

Q. How much time elapsed between those two conversations we have just referred to?—A. Approximately ninety days.

Q. About three months, and that was before you had drafted any contract or any memorandum or any agreement for him?—A. I couldn't answer that definitely whether it was before or after. I could check the date.

Q. Well, you certainly didn't draw any contract for him before he told you he got the contract, or before he got the business?—A. No, I wouldn't be drawing a contract before he got the business.

Q. That's right. The very first conversation you had with Renda about scrap was when he asked you to price scrap paper and what?—A. Trim.

Q. Trim; is that right?—A. Yes; that's right.

Q. And you gave him the prices?—A. That's correct.

Q. Out of your OPA?—A. Price Regulation.

Q. Price Regulation. Then some ninety days elapsed before he told you he got the Briggs business for scrap?—A. That's right.

Q. Had you any discussions with him in that ninety-day period?—A. The only discussion I had with him was there any material he had purchased from the Briggs that I could purchase from him.

Q. Did you go to Briggs with Renda or by yourself during that ninety-day period?—A. I went to Briggs, whether it was during the ninety-day period, by myself, to see Bob Brogan, to see if I could sell him wiping cloth.

Q. Nothing to do with the Renda business?—A. No, Mr. Moll. I went to see Brogan myself.

Q. Did you call to see Cleary during that ninety-day period?—A. By myself?

Q. Yes.—A. No, Mr. Moll, I did not.

Q. You hadn't met Mr. Cleary up to that time?—A. No; I met him through Mr. Renda.

Q. After Renda informed you he had gotten the contract for scrap from Briggs?—A. That's correct.

Q. So whenever you met Cleary was some ninety days after Renda had brought the first two carloads of paper from Briggs?—A. Well, that's the same thing I answered before, Mr. Moll. I don't know whether that was the first time, or whether it was the time when we were discussing loading paper in boxcars, or discussing trim segregation.

Q. Wait a minute, wait a minute. Your discussion concerning loading paper into boxcars didn't come till after the contract had been drafted?—A. No, sir; it came at the time after he got the business, because they were accustomed to shipping by truck.

Q. Now, you had drafted a contract before there was any discussion of loading of paper into boxcars, hadn't you; isn't that right, and that loading was an afterthought, wasn't it?—A. I don't remember; was that in the contract?

Q. Well, that's something you're going to have to tell us; there was no reference to loading in the contract, was there?—A. There's a reference made in the



contract about compensating the Briggs Manufacturing Company at the rate of \$1 a ton for every ton loaded into boxcars. I do remember that, because the OPA provided for that in their schedule.

Q. That was in the contract?—A. I am quite certain it was.

Q. That you drafted?—A. I am quite certain it was.

Q. You can verify that?—A. If I see the contract.

Q. Well, you can verify it from your dictation?—A. Yes.

Q. You must have a copy of the contract, haven't you?—A. Yes.

Q. And that you can produce?—A. Yes.

Q. That's in your file in your office now?—A. Yes; that's correct.

Q. Along with other Renda papers?—A. Yes. The other Renda papers would be other contracts that I had drawn.

Q. That's right. Well, do I understand that you represent Renda as a lawyer?—A. No; I do not.

Q. In what capacity?—A. As a friend.

Q. How do you assume to draft the contracts?—A. I draft them according to my best knowledge that I have about business matters.

Q. Did you charge him?—A. No; I did not.

Q. You never have?—A. No; I did not.

Q. Did you ever receive any consideration from Renda for drafting these papers?—A. No, sir; I did not.

Q. Merely as a friend?—A. Yes, sir.

Q. In an advisory capacity?—A. Yes, sir.

Q. You don't hold yourself out as a lawyer?—A. No, sir; I do not.

Q. You made no charges?—A. No, sir.

Q. At no time?—A. No, sir.

Q. For any services rendered to Renda?—A. No, sir.

Q. You can afford to do that. You can afford to spend your time drafting contracts?—A. It wasn't a continuous thing.

Q. How many contracts did you draft for him?—A. I wouldn't know whether it was four or five.

Q. Well, it required the expenditure of some time?—A. Yes; just time.

Q. Some research?—A. Research as to what, Mr. Moll?

Q. Well, as to the law and to the facts.—A. In drafting these contracts I used what little law knowledge I had and business experience.

Q. Well, it still required some research, didn't it?—A. I didn't spend any time researching anything, outside of just listing the items as listed in the OPA price schedule. The time it involved, Mr. Moll, will show on the charges as to the dictation and typing.

Q. You charged him for that?—A. No; I did not charge him. The Secretarial Service charged him.

Q. Who?—A. Mr. Renda. They are public stenographers and I told them to charge that work to Mr. Carl Renda.

Mr. GARBER. Well, did you ever discuss this contract with Mr. Renda?

The WITNESS. Only from the point as to the probability, in the event that the OPA Regulations would be rescinded. He asked me what provision could be made in the contract as to price fluctuations, and my advice to him, in the event the OPA regulations were rescinded, is to handle the matter on a brokerage basis, whereby a broker charges a percentage for every ton of material that he handles, and I believe that the contract specified that the brokerage shall be the same in the event the OPA is rescinded, as it was while the OPA Price Regulation was in force, which in the case of waste paper grades up to \$20 a ton allow brokerage, four percent commission.

Mr. GARBER. If you have a yard, you have to have a license.

The WITNESS. That's correct.

Mr. GARBER. Did Mr. Renda have a yard?

The WITNESS. At the time?

Mr. GARBER. Does he have one now?

The WITNESS. Yes, sir.

Mr. GARBER. Does he have a license to be a broker?

The WITNESS. He has a license to be a broker; yes, sir.

Mr. GARBER. When did he get that?

The WITNESS. I believe he got it this year.

Mr. GARBER. When this year?

The WITNESS. I don't know.

Mr. GARBER. How long has he had the yard?

The WITNESS. He had the yard since summertime.

Mr. GARBER. This last summer, you mean?

The WITNESS. Yes, sir.

Mr. GARBER. And you think he has a license?

The WITNESS. Yes, sir.

Mr. GARBER. What provisions did you put in the contract for termination?

The WITNESS. I don't think there was any provisions in that for termination. The contract would terminate on nonpayment of invoices or failure to perform the services.

Mr. GARBER. Did you draw the contracts that Mr. Renda entered into with Woodmere?

The WITNESS. I drew one and it was disapproved by the Woodmere.

Mr. GARBER. Did you you draw another?

The WITNESS. And he drew one for a 6-month period.

Mr. GARBER. Who did?

The WITNESS. The Woodmere did.

Mr. GARBER. Did you approve it?

The WITNESS. I believe I did approve it.

Mr. GARBER. What other contracts did you draw for Mr. Renda?

The WITNESS. I drew one for Mr. Renda which was similar to the Woodmere contract for the Continental Metals.

Mr. GARBER. You drew that one?

The WITNESS. Yes.

Mr. GARBER. And what others?

The WITNESS. One for Midwest Waste Materials, which is my competitor.

Mr. GARBER. So that those people then continued to remove the scrap under a contract with Mr. Renda from the Briggs?

The WITNESS. That's correct.

Mr. GARBER. So, to a large extent the same personnel and companies were removing the waste material or scrap material from Briggs as had originally removed it, is that correct?

The WITNESS. The only ones I knew of is Woodmere and Continental. The waste paper he was selling into the mill, and waste materials he was selling into—

Mr. GARBER. Where did you fit into the picture, drawing all these contracts, charging nothing?

The WITNESS. I was in hopes eventually there was some items of merchandise I would be able to buy.

Mr. GARBER. Just a hopeful thought on your part?

The WITNESS. Well, it was the same case as if I solicited an account and he tells me he has no business for me, and I keep going back there. Time spent there is time spent at his place.

Mr. GARBER. That's all there is to it?

The WITNESS. From my standpoint, I thought just in the future I might secure business at some time.

Mr. GARBER. Did you ever talk to Sam Perrone about it?

The WITNESS. No, sir.

Mr. GARBER. Where does he fit in this picture?

The WITNESS. The only place he sits, he is Carl Renda's father-in-law.

Mr. GARBER. Was Carl Renda just the front for Sam Perrone?

The WITNESS. I don't know if Carl Renda was just the front for Sam Perrone. I know Carl Renda talks and handles the business just like I would talk and handle my own business.

The COURT. How did this young man here get his stride in there?

The WITNESS. I didn't get that.

The COURT. How did he get his stride? He was over on Cass Avenue, didn't know anything about waste materials, he goes up in Cleary's office with you, you talk, and he gets a contract drafted by you?

The WITNESS. Yes, sir.

The COURT. You are over 21 years old?

The WITNESS. Yes, sir.

The COURT. Everybody else here is, too. How can he talk that waste material business.

The WITNESS. Well, how he talked it, I don't know, your Honor. But for the last four or five years, there wasn't anything much you had to know about the waste material business, because the OPA educate a lot of people about what the different grades were, and what the prices were.

The COURT. He did have to know one thing: There was a contract to be obtained.

The WITNESS. Yes.

The COURT. He would have to know enough to go and see you, an old friend, because you had some experience in the waste paper business?

The WITNESS. That's correct.

The COURT. He did that?

The WITNESS. Yes.

The COURT. Then he would have to know who had been handling the waste material up there?

The WITNESS. Yes.

The COURT. He found that out.

The WITNESS. Yes.

The COURT. The Woodmere—

The WITNESS. Continental.

The COURT. And who else?

The WITNESS. And I think the Atlas Industries was handling the waste paper.

The COURT. And they were handling it before Renda got it?

The WITNESS. Yes.

The COURT. And they are hauling it out now?

The WITNESS. Yes, sir.

The COURT. So he would have to know how to pitch that ball, wouldn't he?

The WITNESS. Yes.

The COURT. Now, here's a young fellow coming in, gets a contract; then he turns around and makes a deal with the very men that had the contract before he had it.

The WITNESS. Yes.

The COURT. Tell us how he did it?

The WITNESS. All I can tell you, your Honor, he told me it was a social contact with Mr. Cleary that enabled him to get the business.

By Mr. MOLL:

Q. Well, you went to Woodmere with Renda, didn't you?—A. Yes.

Q. You went to Woodmere with Sam Perrone?—A. No, sir; I did not.

Q. You mean to tell us Sam Perrone was not in the car when you and Renda went to Woodmere?—A. No, sir.

Q. Never?—A. No, sir.

Q. Or to Continental?—A. No, sir.

Q. Never?—A. No, sir; not as far as I can ever remember, was Sam ever with me.

Q. Not as far as you remember. I want a yes or no answer. You went to Continental and Woodmere with Renda and Perrone?—A. No, sir.

Q. That's the way you want your answer to stand?—A. As far as I can remember.

Q. I want a definite yes or no answer. Did you ever drive to the Woodmere plant with Renda and Sam Perrone?—A. I don't believe I did.

Q. In connection with negotiating a contract?

The COURT. The answer is, yes or no.

The WITNESS. Your Honor, I wouldn't remember.

By Mr. MOLL:

Q. Well, you had better remember, because I want a yes or no answer to that. You name it.—A. It's got to be, yes or no, is that right?

Q. That's right.—A. Well, I will say, yes.

Q. All right, when was that?—A. It was probably some time last year.

Q. What time last year?—A. You mean the day, Mr. Moll?

Q. The approximate day?—A. I wouldn't know.

Q. The month?—A. It was in the early part of 1945.

Q. Before or after you drafted the contract for Renda with Briggs Manufacturing Company?—A. Can you give me the date we drafted the contract?

Q. No; you are going to give that to us.—A. I don't know.

Q. Well, does your memory serve you whether it was before or after?—A. I am trying to think, and I can't remember.

Q. What is your best recollection?—A. It could have been March; it could have been February; it could have been April. It was around that period. I believe.

Q. Was it before or after Renda had bought any scrap from Briggs?—A. It was after.

Q. He had already bought some?—A. Yes.

Q. And what was your purpose in going to Continental?—A. To sell them the material.

Q. After he had already bought it, right?—A. That's correct.

Q. How long before had he bought it?—A. I believe it was after.

Q. No. How long before your visit to Continental had Renda bought scrap from Briggs?—A. I would say about thirty or forty-five days.

Q. About thirty or forty-five days?—A. I would say it would be about that much.

Q. So that before you went to Continental, Renda had been buying the scrap from Briggs for about 30 to 45 days?—A. That's correct.

Q. Now, scrap has to be collected every day, doesn't it?—A. That's correct.

Q. Had Renda been collecting it during that 30- or 45-day period?—A. Yes, he had.

Q. In his own equipment?—A. No, sir.

Q. Whose equipment?—A. In United Metals.

Q. All of the scrap—he had been collecting all of the scrap, with the equipment of United Metals?—A. I don't know if all the scrap.

Q. All he bought?—A. I know they got most of it, or a portion of it. How much they got, I don't know.

Q. So he was collecting in this 30- or 45-day period, before you went to see Woodmere, all of the scrap that he was buying in the United Metals equipment?—A. I don't know if they were collecting it all for him, but I know they were collecting a great percentage of it.

Q. Were Woodmere collecting any of it during that period?—A. I don't know if they were or not.

Q. Why did you take Sam Perrone with you to Woodmere?—A. I didn't take him to Woodmere with me.

Q. Wasn't that your answer, you and Renda and Perrone went to Woodmere?—A. Yes.

Q. What was the purpose of taking him along?—A. No particular purpose.

Q. What particular purpose did you have in mind?—A. I didn't have any purpose in mind.

Q. Why did he go?—A. Why he went? Probably because he was in the scrap business and he was Carl Renda's father-in-law.

Q. Did he take part in the conversation?—A. No; outside of the fact he said, "this is my son-in-law."

Q. Who did he say that to?—A. I think he spoke to Mr. Louis Freedman.

Q. At Woodmere?—A. Yes, sir.

Q. Now, about the same time, did you and Renda and Perrone go to Continental?—A. I think it might have been around the same time.

Q. What was your purpose in having Perrone with you then?—A. There was no particular purpose in having him with us.

Q. Just because he was the father-in-law of Renda?—A. That would probably be the only reason that he came along.

Q. With who did you talk at Continental?—A. With Mr. Max Temchin.

Q. How many times did you and Renda and Perrone go to Woodmere?—A. I don't know whether it was once or twice.

Q. What is your best recollection?—A. I would say twice.

Q. How many times did the three of you go to Continental?—A. I think once.

Q. Not twice?—A. I wouldn't know for sure whether it was once or twice.

Q. Now, what was your purpose in going to Woodmere?—A. Well, Woodmere, from what I gathered, had called up Mr. Renda and asked him to come over there, and wanted to discuss the matter of purchasing the scrap iron from him.

Q. This is after Renda had bought scrap from Briggs?—A. That's correct.

Q. Some month or month and a half?—A. I believe it was a month or month and a half.

The COURT. They have to take that scrap out when they buy it, day to day?

The WITNESS. That's correct.

The COURT. Who was taking it in the meantime?

The WITNESS. I understand United Metals was taking it, United Metals Refining Company.

By Mr. MOLL:

Q. For Renda?—A. For Renda.

Q. All right. Do you know whether Woodmere was hauling any for Renda?—A. I wouldn't know that, Mr. Moll.

Q. Or Continental?—A. I wouldn't know that.

The COURT. What was said when you went into the Continental, you and Renda?

The WITNESS. Well, Mr. Temchin wanted to buy the metals from him.

The COURT. What was the deal?

The WITNESS. The deal was, they were discussing the price of the metals.

The COURT. Renda told him he had a contract with Briggs?

The WITNESS. I believe he did tell him that.

The COURT. Was Continental surprised at it?

The WITNESS. No; they had lost it.

The COURT. They had lost it but they were surprised Renda got it?

The WITNESS. Yes, your Honor.

The COURT. What did they agree to do? What was the deal?

The WITNESS. They agreed to purchase the material from Carl Renda and haul the material away with their own trucks.

The COURT. Continental Trucks?

The WITNESS. Yes.

The COURT. Take it right off Carl Renda's hands?

The WITNESS. Yes.

The COURT. At what differential in favor of Carl Renda on his contract price with Briggs?

The WITNESS. Oh, I would say anywhere from \$2 to \$10 a ton, depending on the value of the item.

By Mr. MOLL:

Q. And substantially the same deal was made with Woodmere?—A. Well, Woodmere, I think it was from \$1.50 to \$3 a ton. The value of the iron wasn't there as it would be in metals.

Q. That was just for metal scrap?—A. Continental was for metal scrap, scrap iron.

The COURT. Nonferrous with Continental.

The WITNESS. Nonferrous with Continental, ferrous with the Woodmere.

By Mr. MOLL:

Q. Now, to whom did he dispose of other scrap material?—A. The waste paper was disposed of to the Monroe. I believe they first started selling to Auglaize Box Board Company in St. Marys, Ohio.

The COURT. How did you find out they were buying the waste paper?

The WITNESS. I told him they were buying waste paper, because I had done business with them, and rags he sold to Midwest Waste Materials Company.

The COURT. Where are they located?

The WITNESS. 1909 East Kirby Avenue, at the Grand Trunk Railway.

The COURT. In Detroit?

The WITNESS. Yes, your Honor.

By Mr. MOLL:

Q. Now, just stop a minute. Could you have met any of these prices Renda got for waste materials?—A. I couldn't meet the price on waste paper, and couldn't meet the price on scrap trim, Midwest was getting.

Q. What could you meet the price on?—A. At that particular time?

Q. Yes.—A. Nothing at all.

Q. Did you try to meet it?—A. I tried to meet the price there, but it was prohibitive what they were paying.

Q. Did you try to get a better price from Renda to buy any of this material yourself?—A. I tried to buy it from Renda myself, yes, Mr. Moll, but I couldn't meet the price he was getting for it.

Q. Did you submit him anything in writing?—A. No, sir, it was all verbal.

Q. Why did you take him to these other people, like Continental, Woodmere.—A. Because the Continental had called him up and told him they wanted to do business with him.

Q. Why didn't you attempt to get in there before Continental?—A. I wasn't equipped to handle it.

Q. Did Woodmere call him up or did you take him out to Woodmere without calling?—A. The Woodmere called him up.

Q. Are you sure of that?—A. I wouldn't say I am sure of it.

Q. You have known Max Temchin for some time, haven't you?—A. I think I only met him once.

Q. Haven't you known him since you were a kid?—A. I don't know. I have known his father since I was a kid.

Q. Your father and his father have been friends?—A. Yes.

Q. Your father used to run a store up here on the east side?—A. That's correct.

Q. And you have known the boys?—A. Which boys?

Q. You have known Max, the son, for years?—A. Not for years.

Q. For how long?—A. Well, I might have known him when he was a kid. I wouldn't say for sure, Mr. Moll.

Q. Well, you did know him as a kid.—A. I might have known him. I wouldn't know.

Q. You have known him for years. You knew what business he was in. You took Renda out there, didn't you? Isn't that the story?—A. I didn't take Renda out there. He called Renda up and Renda asked me to go out there with him.

Q. At your suggestion?—A. Whose suggestion?

Q. Yours. Temchin, from Continental, called Renda after he talked to you.—A. No, sir.

Q. That's the position you want to take?—A. No; I am not taking that position.

Q. He talked to you before?—A. He talked to Ruby Lieberman before he talked to Renda.

Q. Who is Ruby Lieberman?—A. He's in the metal business, a good friend of mine.

Q. And it was through you Lieberman knew about the Briggs deal.—A. Yes, sir.

Q. And it was only after that conversation that you told Lieberman and that Lieberman had in turn relayed to Temchin, Temchin called Renda.—A. That's right.

Q. And you went out there with Renda?—A. Yes, sir.

Q. And Perrone?—A. Yes, sir.

Q. Now, you also know—who are the boys in Woodmere?—A. Freedman.

Q. You have known that a long time?—A. No, sir; I never did any business with them.

Q. You know their father?—A. No, sir.

Q. Do you know whether their father knew your father?—A. No, sir.

Q. You don't remember that?—A. No, sir. I never had occasion to do business with them.

Q. You never knew any of the Freedman boys before this time?—A. Before this time, no, sir, I didn't know them.

Q. How did you happen to go out to Woodmere?—A. Mr. Renda told me he was going out to Woodmere, because they called him up.

Q. They called him up, too?—A. Yes, sir.

Q. You went out, you and Perrone?—A. Perrone was along.

Q. Why did you hesitate when I first asked you if Perrone was with you when you first went to Woodmere?—A. Because I believe that was the only occasion he was with us.

Q. He was with you at Continental?—A. Yes, Continental and Woodmere.

Q. Why did you hesitate when I asked you that question?—A. I was trying to think in my mind whether he was with us, or wasn't with us.

Mr. GABER. He was holding back.

By Mr. MOLL:

Q. Is there anything you want to conceal about having Perrone with you that day?—A. No, sir; I have nothing to conceal, Mr. Moll.

Q. I am still interested in why you hesitated.—A. I have no reason. I wanted to be sure. You told me it had to be an answer, yes or no.

Q. That's right, and the answers you have given us are considered answers, and they are the truth?—A. To the best of my knowledge, they are all the truth.

Q. Particularly it is true you and Renda went with Sam Perrone, both to Woodmere and Continental?—A. That's correct.

Q. For the purpose of negotiating a contract with each to buy scrap from Renda.

The COURT. Where was Sam Perrone while you and Renda were talking to the people in the Continental? Was he in the car?

The WITNESS. No, sir; inside.

The COURT. Or was he in the office?

The WITNESS. Yes.

The COURT. Is that also true of Woodmere?

The WITNESS. Yes, sir.

The COURT. And each time the three of you went into the office?

The WITNESS. Yes.

The COURT. Was there one time when Sam Perrone stayed out in the car?

The WITNESS. I believe only once we went down there together. The rest of the time I went with Mr. Renda.

By Mr. MOLL:

Q. Did Perrone ever go with you and Renda to Briggs Manufacturing Company?—A. No, sir.

The COURT. Did he ever go out there with you and stay in the car while you and Renda went inside?

The WITNESS. No, sir.

By Mr. MOLL:

Q. Do you know John Fry at Michigan Stove?—A. I met him once.

Q. How?—A. Through Mr. Perrone.

Q. Which one?—A. Sam.

Q. When?—A. Eight or ten years ago.

Q. Where?—A. Detroit, Michigan Stove Company.

Q. What was the occasion?—A. I was standing there talking to Mr. Perrone. Mr. Fry happened to come out. Sam said "hello" to Mr. Fry, and said, "I want you to meet Mr. Martin."

Q. That was 18 years ago?—A. No, 8 or 10 years ago.

Q. What was the occasion of your being there?—A. For the purpose of buying scrap.

The COURT. From whom?

The WITNESS. Mr. Perrone. I used to buy his waste paper over there.

By Mr. MOLL:

Q. Have you met Fry since?—A. No, sir.

Q. Have you talked to him since?—A. No, sir.

Q. On the telephone or otherwise?—A. No, sir.

Q. You have neither seen or talked to, in any way, John Fry, in the last 8 or 10 years?—A. No, sir.

Q. Through your meeting him in his office with Sam Perrone?—A. I didn't even meet him in his office. He was coming out.

Q. At the Michigan Stove Works?—A. Yes, at the Michigan Stove Works.

Q. You have neither talked or seen him since?—A. I have been in the building talking to Mr. DeHart about selling wiping cloths.

Q. But you never talked to Fry personally or on the telephone since?—A. No, sir; I have not.

Q. Do you know Dean Robinson?—A. No, sir; I do not.

Q. Did you ever meet him?—A. No, sir; I did not.

Q. Do you know Fay Taylor?—A. No, sir. I don't think I know Fay Taylor.

The COURT. Did you ever hear of the name?

The WITNESS. I have heard of the name.

The COURT. In connection with what company?

The WITNESS. I think it's in connection with Briggs.

The COURT. You think it is?

The WITNESS. Yes.

The COURT. Do you know?

The WITNESS. I wouldn't know definitely.

Mr. GARBER. Who mentioned his name?

The WITNESS. I think Mr. Renda mentioned his name.

By Mr. MOLL:

Q. In what connection?—A. Well, that he's one of the executives there.

Q. Do you know Blackwood?—A. No, sir; I do not.

Q. Have you ever been in his office?—A. If I have, I didn't know it was Blackwood's office.

Q. Which of the officials of Briggs Manufacturing Company do you know?—A. I met Mr. George Herbert and Mr. Cleary, and I believe it was a Mr. Closter, I wouldn't say definitely, and Mr. Bob Brogan, and Mr. Cleary's secretary, the gentleman that sits in the outside office.

Q. A gray-haired fellow?—A. A gray-haired fellow, heavy-set fellow.

Q. Bird?—A. Burt, I think his name is.

Q. When did you first meet Herbert?—A. When we had the dispute on the paper.

The COURT. Did you ever meet him any other time?

The WITNESS. Yes, sir. I met him once on the Gladwin Avenue dock at Briggs.

The COURT. Gladwin Avenue what?

The WITNESS. The dock at Briggs, the salvage dock.

The COURT. Did you ever meet with Renda?

The WITNESS. When we came in there about waste paper and carloading and trim segregation.

The COURT. Do you know if Renda tried to do business one time before he got the contract with Herbert?

The WITNESS. I don't know about that, your Honor.

The COURT. Were you with him on such an occasion?

The WITNESS. No, sir.

The COURT. Where is Herbert now?

The WITNESS. The last time I heard of him he was in California.

The COURT. Isn't he with Briggs any longer?

The WITNESS. No, sir.

The COURT. When did he leave Briggs?

The WITNESS. Oh, I think it was eight, nine months ago.

The COURT. About the beginning of this year then?

The WITNESS. I think that's when it was.

The COURT. What did he leave Briggs for?

The WITNESS. I understand he was fired.

The COURT. For what?

The WITNESS. I do not know

By Mr. MOLL:

Q. Did you know the girl in Herbert's office?—A. I didn't know her by name or sight. I just know he has a girl, as you come in the office.

Q. Is he still there?—A. I wouldn't know that.

Q. Did you hear she was fired too?—A. I didn't hear that, Mr. Moll.

Q. Have you any business connections whatever with Renda?—A. None whatsoever.

Q. At this time?—A. Pardon?

Q. At this time?—A. I didn't get that.

Q. At this time?—A. Just purchasing different types of trim.

Q. From the Carl Renda Company?—A. Yes, sir.

The COURT. Are you interested in the Carl Renda Company?

The WITNESS. No, sir.

The COURT. Own any stock in it?

The WITNESS. No, sir.

The COURT. What is the Carl Renda Company, a corporation?

The WITNESS. A copartnership.

The COURT. Who is the other partner?

The WITNESS. His wife.

The COURT. A partner with himself?

The WITNESS. Yes.

The COURT. Is it registered over here in the County Building?

The WITNESS. Yes.

The COURT. The wife is Sam Perronne's daughter?

The WITNESS. That's right.

The COURT. There are only two partners in it?

The WITNESS. That's all I know of.

By Mr. MOLL:

Q. Who organized the partnership?—A. Who organized the partnership?

Q. Did you?—A. I filed the assumed name certificate for him.

Q. Is there a partnership agreement?—A. I think there is.

Q. Did you draft that?—A. Yes, sir.

Mr. GABER. Why do you say you think? You know darned well there is.

By Mr. MOLL:

Q. As a lawyer?—A. No, sir.

Q. As a friend?—A. Yes, sir.

The COURT. Do you want us to understand you are doing all this on the basis of friendship?

The WITNESS. That's correct, sir.

The COURT. What did they ever do for you?



By Mr. MOLL:

Q. Let him buy scrap from them?—A. I was in the hopes some day I would be able to purchase some scrap from the Carl Renda Company.

Q. Has that hope come true yet?—A. The last six months I have purchased scrap from them.

Q. How much?—A. Several hundred dollars per month.

Q. Do your books show that?—A. Yes, sir.

Q. You keep books, do you?—A. Yes, sir.

Q. What do your books consist of?—A. Accounts receivable, accounts payable, general ledger.

Q. Check register?—A. Yes, sir.

Q. Where is your bank account?—A. Peoples State Bank of Hamtramck.

Q. Why Hamtramck?—A. Because I can get credit on out-of-town checks there without waiting for them to be collected.

Q. Have you any other bank account?—A. Yes, sir.

Q. Where?—A. Detroit Bank.

Q. What is that, a commercial account?—A. Commercial and savings.

Q. Both?—A. Yes, sir.

Q. Two accounts?—A. Yes, sir.

Q. In your name?—A. Yes, sir.

Q. Does your wife have any bank accounts?—A. No, sir.

Q. None at all?—A. No, sir.

Q. Do you have a safety deposit box?—A. Yes, sir.

Q. Where?—A. In the Detroit Bank.

Q. What number?—A. 33.

Q. When were you in there last?—A. Oh, about six or seven months ago.

Q. Not since?—A. No, sir.

Q. What is your net worth?—A. About \$40,000.

Q. Accumulated over what period?—A. Twenty years.

Q. What?—A. Twenty years.

Q. And what was your net earnings in the last year?—A. \$18,000.

Q. From what source?—A. Waste materials.

Q. As reflected in the books of your company?—A. Yes, sir.

Q. Your income tax shows accordingly?—A. Yes, sir.

Q. You filed a tax return in 1944?—A. Yes, sir.

Q. What was your net earning in 1944?—A. I believe it was nine or ten thousand.

Q. From the same source?—A. Yes, sir.

Q. As reflected in your books?—A. Yes, sir.

Q. And except for the amounts shown in your books, you have no other income?—A. No, sir.

The COURT. Were you married once or twice?

The WITNESS. Twice, your Honor. This is my second marriage now.

The COURT. Divorced in the first case?

The WITNESS. No, my wife passed away.

The COURT. Any children?

The WITNESS. No, sir.

By Mr. MOLL:

Q. Do you own any real estate, Mr. Martin?—A. No, sir.

Q. What does your net worth consist of, what sort of property?—A. Accounts receivable, war bonds.

Q. Any stocks?—A. Yes, sir.

Q. What company?—A. The Dolphin Paint and Varnish Company.

The COURT. What is the name?

The WITNESS. The Dolphin Paint and Varnish Company.

The COURT. Where are they located?

The WITNESS. In Toledo, Ohio.

The COURT. What else?

The WITNESS. Detroit Michigan Stove Works Company.

Mr. GARBER. Where did you get that stock from?

The WITNESS. A stock broker.

Mr. GARBER. Whose recommendation did you buy that on?

The WITNESS. I bought it on the recommendation of Mr. Renda.

Mr. GARBER. Renda or Perrone?

The WITNESS. Mr. Renda.

Mr. GARBER. When did you buy that?

The WITNESS. The last sixty days.

The COURT. Michigan Stove?

The WITNESS. Yes, sir.

The COURT. How much is it?

The WITNESS. \$10 a share, \$11 a share.

Mr. GARBER. How many shares?

The WITNESS. 100 shares.

By Mr. MOLL:

Q. Any other stocks?—A. That's all.

Q. No stock in Briggs Manufacturing?—A. No, sir.

Mr. GARBER. When is the last time you saw Renda?

The WITNESS. I believe it was last Thursday.

Mr. GARBER. Did you have dinner out at his home at that time?—A. No, sir.

Mr. GARBER. When is the last time you were at his home?

The WITNESS. A week ago Monday.

Mr. GARBER. Did you have dinner at that time?

The WITNESS. Yes, sir.

Mr. GARBER. When were they at your home last?

The WITNESS. Either three or four weeks ago.

Mr. GARBER. How often do you usually meet them?

The WITNESS. About twice a month.

Mr. GARBER. And what is the occasion for meeting twice a month?

The WITNESS. Get together socially, play gin or go to a theater.

Mr. GARBER. You are very friendly?

The WITNESS. Yes.

Mr. GARBER. When is the last time you went out socially with Sam Perrone?

The WITNESS. I haven't went out with him—the last time I went with him was when we were at the cottage.

By Mr. MOLL:

Q. Were you at the wedding last week?—A. No, sir.

Q. Wasn't there a Perrone married last week?—A. Yes, that was his brother Casper's daughter was married.

Q. Weren't you there? Was it Mary? Do you know the girl?—A. Yes, her name was Mary, too.

Q. Do you know her husband?—A. No, I don't. Mary is his daughter.

Q. You weren't invited?—A. No, sir.

Mr. GARBER. Who are the relatives of Perrone, Lydia Thompson borrowed the money from shortly before she was killed?

The WITNESS. I don't know.

Mr. GARBER. Did you read about that case?

The WITNESS. I read about it.

Mr. GARBER. Do you remember the note?

The WITNESS. I don't remember any note.

Mr. GARBER. Do you remember the note she left, in case anything happened, get in touch with Perrone.

The WITNESS. I don't know a thing about it.

Mr. GARBER. What connection do you have with that case?

The WITNESS. Not a thing.

Mr. GARBER. What connection does Perrone have with that case?

The WITNESS. I don't know.

Mr. GARBER. Why should she leave a note to get in touch with Perrone?

The WITNESS. I don't know, sir.

By Mr. MOLL:

Q. Did you ever hear that note discussed?—A. No, sir.

Q. By Renda?—A. No, sir.

Q. By Perrone?—A. No, sir.

Q. By anybody?—A. No, sir.

Q. Did you ever read the note?—A. No, sir.

Q. Do you know what it says?—A. No, sir.

Mr. GARBER. Did you ever know Mrs. Thompson?

The WITNESS. No, sir.

Mr. GARBER. Did you know her husband?

The WITNESS. No, sir.

Mr. GARBER. Have you ever been out to their laundry?

The WITNESS. No, sir.

Mr. GARBER. Did you ever have any business dealings with them?

The WITNESS. No, sir.

Mr. GARBER. Are you acquainted with the boys over around O'Leary's Bar over on Dexter?

The WITNESS. No, sir.

Mr. GARBER. Who do you know over there?

The WITNESS. I know Mr. O'Leary.

Mr. GARBER. The owner of the bar?

The WITNESS. He was owner. I knew him 25 year. He used to sell scrap to my father.

Mr. GARBER. Who are some of the boys that hang around there that you know?

The WITNESS. Sam Fleischer.

Mr. GARBER. How do you know Sam?

The WITNESS. We were raised kids, went to school together.

By Mr. MOLL:

Q. What school?—A. Lincoln School.

Q. How old is Sam Fleischer?—A. I think about my age.

Q. What's the other boy's name?—A. There's Harry Fleischer.

Q. How old is he?—A. I don't know how old he is.

Q. Older or younger?—A. He's older.

The COURT. Where are they both now?

The WITNESS. I don't know where Harry is at, Sam is in Detroit.

The COURT. What is he doing?

The WITNESS. He's in the trucking business.

The COURT. His own?

The WITNESS. I believe so.

The COURT. What's the name of the trucking company?

The WITNESS. I don't know.

By Mr. MOLL:

Q. Where is his place of business?—A. I don't know, sir. I sold him one roll of salvage paper here about a month ago, and he told me the name of his company is Allied Mill Supply.

The COURT. What's the name of the company?

The WITNESS. Allied Mill Supply.

The COURT. That's the trucking company?

The WITNESS. Either the trucking company or his company.

The COURT. That's the company he is connected with?

The WITNESS. Yes.

The COURT. Allied Mill Supply?

The WITNESS. Yes, sir.

By Mr. MOLL:

Q. Who is that dark-haired fellow, wears the dark glasses? What's his name?—A. Who is that, Mr. Moll?

Q. I was wondering if you know him, kind of a short, heavy set, dark-haired fellow, wears dark green glasses. Do you know who I am referring to?—A. No, sir. Mr. Perrone's brother is short, heavy set, but he don't wear glasses.

Mr. GARBER. How many times, to your knowledge, has Perrone been in jail?

The WITNESS. Well, once I know he was in jail for leaving the scene of an accident, I think.

Mr. GARBER. Yes.

The WITNESS. Once for internal revenue.

Mr. GARBER. Yes. What else?

The WITNESS. That's all I know.

Mr. GARBER. Was he ever in for carrying concealed weapons?

The WITNESS. I do not know.

Mr. GARBER. Did he ever tell you about the time someone tried to run him off the road and kill him out near Mount Clemens?

The WITNESS. No, sir; he never did.

Mr. GARBER. He never mentioned it to you?

The WITNESS. No, sir.

Mr. GARBER. He never talked about being down to the FBI about that?

The WITNESS. No, sir.

By Mr. MOLL:

Q. Did you ever prepare any tax returns for any of the Perrones?—A. No, sir.

Q. Or Renda?—A. No, sir.

Mr. GARBER. Who run the business while Perrone was in jail?

The WITNESS. His wife.

Mr. GARBER. How long was he in?

The WITNESS. I do not know.

The COURT. What attorneys represent Perrone?

The WITNESS. I don't know whether it's Mr. Mainullo or Mr. Colombo.

The COURT. Who represents the Renda Company?

The WITNESS. As an attorney?

The COURT. Yes.

The WITNESS. I don't think they have an attorney. They have a certified public accountant.

By Mr. MOLL:

Q. Do you want to correct your answers to any of our questions?—A. Pardon, sir?

Q. Do you want to change any of your answers to any of our questions so far?—A. The only thing, Mr. Moll, is a question as to the time of the contract. I don't remember that. Outside of that, I have told you the truth and everything to the best of my knowledge.

The COURT. Well, your books will reflect the time that contract was dictated, at least.

The WITNESS. Yes, sir; it will. That's on the record at the New Center Secretarial Service.

By Mr. MOLL:

Q. And you have a copy of it in your office?—A. Yes, I have.

Q. Does it bear a date?—A. That I wouldn't know. It should bear a date.

Q. It's customary to date a contract?—A. Yes, sir. I think I remember correctly, in the left hand corner it would say, "Dated at Detroit, Michigan," such and such a date, such a year.

The COURT. Have you told us all you know about this?

The WITNESS. Yes; I have.

By Mr. MOLL:

Q. You have never met Dean Robinson?—A. No, sir; I have not.

Q. You never discussed this scrap contract with the Renda Company with him?—A. No, sir; I have not.

Q. You haven't talked to John Fry in the last eight or ten years?—A. No, sir; I have not.

The COURT. Renda never gave you anything for this assistance that you gave him?

The WITNESS. No, sir.

The COURT. Except the right to go in and purchase material, and if you were the highest bidder, you would get it?

The WITNESS. No; if I could meet price competition, your Honor.

The COURT. If you could meet price competition, you would get it?

The WITNESS. Yes, sir.

The COURT. Most anybody could do that. That wasn't much of a strain on friendship on that deal?

The WITNESS. Well, it doesn't prove true in every plant. I have gone into plants, offered half a cent more for material, and they wouldn't listen to me, wouldn't consider doing business with me, and again I have had plants I could go in, and meet price competition and get the business.

By Mr. MOLL:

Q. Did you ever submit any contracts to Briggs Manufacturing for Renda. bids, I mean?—A. No; I did not.

The COURT. Do you know if Renda ever bid for that material?

The WITNESSES. Yes; he did. He told me he was bidding.

The COURT. When did he bid?

The WITNESS. The quarters.

The COURT. Does he bid now under the contract?

The WITNESS. No, sir; he does not.

By Mr. MOLL:

Q. Why not?—A. Because he has a contract.

Q. For how long?—A. I don't know the time.

Q. Well, you drew it. Brother, you know that time just as well as I do, don't you? You know just exactly what the duration of that contract states, don't you? Now, tell us.—A. I can take a guess and say it is indefinite.

Q. Why, certainly, and it was intended to be that way.—A. Mr. Moll, may I say this?

Q. You can say anything you want.—A. My impression on this agreement that I drew, it wasn't a contract. My impression of this whole thing was a proposal to purchase. It didn't say we enter into an agreement and agree to buy.

Q. What is a contract, in your definition?—A. A contract is a meeting of the minds between two parties.

Q. It is an offer and acceptance of the offer?—A. That's correct.

Q. You could have a contract by having an offer accepted on its terms?—A. Yes; you could.

The COURT. Renda makes a proposal and Briggs accepts it. That's the contract.

The WITNESS. That's correct.

The COURT. What more do you want?

By Mr. MOLL:

Q. Based on a consideration, which I dare say is in the contract. Isn't that your definition of a contract?—A. Sure, there's a consideration.

Q. And you have got everything necessary, haven't you, except the date. Now, would you mind telling me why you left the date off the contract?—A. On the instructions, I assume, from Mr. Renda.

Q. Did you receive such instructions?—A. I believe the instructions I received was to leave all the dates off.

Q. Did he say why?—A. No; unless he said that this was a proposal. I asked him whether it was a contract or what it was he wants me to draft. He says he wants me to draft a proposal for the purpose of purchasing their waste materials.

Q. Do you call a proposal an agreement?—A. No; a proposal isn't an agreement.

Q. Is this the way you start to word a proposal: "This agreement herewith submitted by Mr. Carl Renda of the Carl Renda Company of the City of Detroit for the purpose of purchasing the following byproducts from the Briggs Manufacturing Company and all their branch factory plants located in the City of Detroit, as follows."

That's a proposal to your mind. "This agreement herewith submitted—" it doesn't make much difference. There's one thing you don't have to stall about.—A. I am not stalling, Mr. Moll.

Q. Because a proposal that is accepted is a contract. Don't you remember your contract law?—A. Well, I was—

Q. If I tell you I will sell you these glasses for \$8, and you say, well, "I accept," it's a deal, isn't it?—A. That's correct.

Q. So what's the difference in your book between an accepted proposal and a contract?—A. The way I can interpret the difference is, when I propose to purchase something—

Q. Yes.—A. —material at a certain price, the seller has not agreed definitely to sell me at that price.

Q. That's right.

The COURT. But if he accepted it, what is it?

The WITNESS. If he accepted it, then it is a contract.

By Mr. MOLL:

Q. So what's the difference?—A. There is no difference.

Q. Well, why are you so careful in pointing to the distinction between a proposal and a contract?—A. Well, it is a question of understanding one another, Mr. Moll, whether I made a contract or whether I made a proposal.

Q. You don't remember why Renda told you to leave off the dates?—A. No; I don't remember, sir. I asked him, if I remember correctly, what is the length of time of that, and he says, "leave that off."

Q. Didn't that raise a question in your mind?—A. I thought it was rather odd.

Q. What is the terminability of an indefinite contract, do you know? What is your recollection? Tell us what the law is on that subject?—A. I wouldn't know what the law is on that, but from a business standpoint, I would say it could terminate at the option of either party to the contract upon giving notice to one another.

Q. You think this contract could be terminated at the option of either party?—A. It could be terminated at the option of either party, in addition to breaching one of the terms of the contract.

Q. Well, that goes without saying.—A. Yes.

Q. But what are your terminal facilities in this contract?—A. Lack of service.

Q. No. I mean, how do you terminate it? What does the contract provide for termination, or, pardon me, offer to purchase?—A. Would you mind repeating the question again?

Q. What does your offer to purchase provide, by way of termination?—A. I don't know, Mr. Moll. Is there a termination clause in that contract?

Q. I don't know. Haven't you looked at it in the last couple of days?—A. No, sir; I have not.

Q. You haven't?—A. No, sir.

Q. What were you given to understand as to the duration of this contract?—

A. I wasn't given to understand, because when I asked Mr. Renda for what term this was, he said, "leave that off."

Q. He didn't say why?—A. No, sir.

Q. Did you explain the danger of an indefinite contract?—A. No; I did not.

Q. What is the danger of an indefinite contract as to term?—A. As to what?

Q. As to term.—A. From what that contract covers or from any waste material contract, the only danger you could have was in the event your consumers of waste material were on strike, or they had breakdowns in their plants, couldn't take the material in, then the purchaser of the waste material would have to store it himself. As a general rule, waste material flows quite freely 12 months a year, with the exception of inventory period or strike period.

Mr. MOLL. Well, that's all I want to ask right now, Judge. Now, is there anything further you want to say to us?

The WITNESS. There isn't anything further I can add to that.

Mr. MOLL. Well, what are you going to do with Mr. Martin?

The COURT. I think, Mr. Martin, you'd better give this thing some thought, a little more thought, and you had better stay with the officers tonight, and we will take this up with you first thing in the morning, around ten o'clock, as early as we can get to it. Have you any particular place you want to go?

The WITNESS. Can I go home?

The COURT. I mean, what hotel do you want to go to?

The WITNESS. Can I call my wife, your Honor? I haven't been permitted to call her.

The COURT. Yes, and you will be in good company. You have been taken care of as a gentleman here, haven't you?

The WITNESS. Yes, outside of the fact they didn't let me call my wife. She is worried about me.

The COURT. You may call her.

The WITNESS. May I make one request, sir?

The COURT. What's that?

The WITNESS. Can I go to my office and work tonight?

The COURT. All night long?

The WITNESS. I had a lot of appointments when the gentlemen came there. I have to support my mother and my wife. I am willing to work and come here in the morning.

The COURT. That's kind of a hardship on the officer to stay up all night. I tell you what you can do. Go to the hotel and get up early in the morning. I don't see any harm in going to the office for a couple of hours in the morning.

Mr. MOLL. Bring in your books.

The WITNESS. I will bring in my books. I don't have anybody in my organization besides myself.

(Witness excused.)

#### STATE OF MICHIGAN

#### IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

Misc. No. 72052

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Tuesday, December 3d, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

DAVID B. HINCHMAN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name?—A. David B. Hinchman.

Q. Where do you live, Mr. Hinchman?—A. 310 Kirby Road, Grosse Pointe Farms.

Q. How old are you?—A. 40 years old.

Q. By whom are you employed?—A. Briggs Manufacturing Company.

Q. And how long have you been so employed by Briggs Manufacturing Company?—A. Four and a half years approximately.

Q. Approximately 4½ years. And what is your work at Briggs Manufacturing? What do you do there?—A. I have the title of general auditor and supervise the activities of the audit department.

Q. And who is your immediate superior?—A. Mr. D. J. Convery, assistant secretary.

Q. Who is Mr. Blackwood?—A. Mr. Blackwood is secretary and assistant treasurer, and Mr. Convery's superior.

The COURT. Are you a public accountant?

The WITNESS. Certified public accountant.

The COURT. Where did you get your education?

The WITNESS. Detroit Public Schools till I was 15, Philip Exeter Academy and Princeton University.

The COURT. What year were you at Princeton?

The WITNESS. 1928.

The COURT. What did you get, an A. B.?

The WITNESS. I got a B. S., Bachelor of Science.

The COURT. Then, what did you do, go into business school?

The WITNESS. No; I didn't, sir. I returned to Detroit and went in the brokerage business with Bonbright and Company.

The COURT. Where were you brought up, in Grosse Pointe?

The WITNESS. Well, in the Indian Village, Seminole Avenue.

My Mr. GARBER:

Q. Now, is part of your duties to check the salvage that is sold out at the Briggs, make audits?—A. Well, to explaint it again, as I did this morning, I would conceive it my duties to examine the balance sheet of the company and its profit and loss, and statement of surplus, for the most recent period, and try to determine that that is fair and accurate.

The COURT. By the way, where did you get this CPA, Michigan?

The WITNESS. Michigan; yes, sir.

The COURT. When you got the Bachelor of Science?

The WITNESS. No, sir; I didn't. Ultimately, when I was 29 years old, I went to work for Price Waterhouse in Detroit.

The COURT. After the brokerage business?

The WITNESS. After the brokerage business I went in the insurance business.

The COURT. What year was that? 1929?

The WITNESS. 1928, I graduated from college. In 1936 I went with Price Waterhouse.

The COURT. What did you do in those intervening years?

The WITNESS. I spent about two years in the brokerage business, till we got through the crash, and then I went in the advertising business with Brooks, Smith and French here in Detroit, and I worked with them.

The COURT. Then you went with Price Waterhouse?

The WITNESS. Then I lost my job with Brooks. They told me they didn't need me any more, so I found myself in 1935, in January, without a job, and it was pretty hard going. Then I went with a representative of the Mutual Benefit Life, Johnson and Clark, for a year, during which time my father died. I wasn't making a living. I had two children, and decided I had to do something about that, and my main concern was to get a profession and a job where I always could earn four or five thousand dollars a year, which I considered was enough to take care of me, so I made a few inquiries. I had a leaning a bit towards figures, mathematics, so I found I could study public accounting the way they used to, in effect, study law, which was about the only profession you could still do that in, and I tried it and found it was very tough apprenticeship the way they operated it then. I had to go to school at night when I didn't work, night or a correspondence course. Anyway, we did it, and in about five years I became a certified public accountant.

The COURT. Of course, most of those fellows who take bachelor of arts at Harvard, Princeton, and Yale have a flare for becoming bond salesmen, but

there were very few bonds that were saleable in those hectic years, 1929 to '35. Well, I think you made a pretty good showing, but you got your CPA what year?

The WITNESS. 1942.

The COURT. You went to Briggs when?

The WITNESS. 1942.

The COURT. Right then?

The WITNESS. Yes.

The COURT. And your duties there require—

The WITNESS. They presuppose the knowledge of a CPA, that a CPA would have. I wouldn't have had the job if they hadn't considered I had the ability. They were familiar with my work, because I was in charge of field work for several years under what they call a managing accountant.

The COURT. Price Waterhouse had among their clients Briggs?

The WITNESS. They had and still do.

The COURT. That's why you broke through there. Well, you got acquainted with the people there.

The WITNESS. I got acquainted with the people, and they had a change in the financial management about that time, in February 1942. Mr. Pierce resigned. He had been treasurer; and Harry Griffith, who had been secretary, died, I think, also in February 1942. Mr. Blackwood was appointed secretary at that time. He had been assistant secretary and assistant treasurer, and he continued with the title of assistant treasurer.

The COURT. Who is your immediate superior?

The WITNESS. Well, according to the chart, Mr. Convery, who is assistant secretary, and Mr. Blackwood, his immediate assistant.

The COURT. So it's Blackwood, Convery and you?

The WITNESS. Yes, except my title and duty as general auditor, I am responsible to Mr. Convery, and Mr. Blackwood I have a right to examine, to criticize any transactions. I don't have any direct line of authority over any department. For example, general accounting, which Mr. Meecham is in charge of, technically, Mr. Convery can pick up the phone and say, "Mr. Meecham, you do this." I have not that right. I just criticize him if I feel like it. In practice it may work out differently.

The COURT. But your particular status is what?

The WITNESS. General auditor.

The COURT. Of the whole plant?

The WITNESS. Of the whole concern; yes, sir.

By Mr. GARBER:

Q. Now, do you know whether or not the United States Government made an audit to see whether or not they were entitled to any money under the sale of scrap material which belonged to the government, which had been sold by the Briggs Manufacturing Company—A. I do. I believe we defined that audit; the United States Army Air Forces resident auditor conducted such an audit at the instance of the FBI, so I understand.

Q. And when was that?—A. He would have conducted his audit presumably over the period, say, about January 1946, I presume, to August or September 1946. He may have started even earlier. I don't know as to that because he didn't have his data assembled in form to present to us until on or about May 1st, 1946. I don't know honestly when he started. He told me he had been working on it for some months.

Q. There was such an audit made?—A. There was such an audit made.

Q. Do you have a copy of it?—A. I do not; no, sir. Now, I would qualify these answers in two respects. The audit would have been made by the resident auditor to see if the interests of the government had been damaged in any way, and to take appropriate steps to protect the government in that event. Second, as to our having a copy of the audit, we requested the audit working papers, which were turned over to us, so that we might independently check them to see as to matters of fact they were correct or not. Now, we had a long enough association with the government over a period of five years, so that we operated in an atmosphere of mutual trust. In other words, they gave us from May 15th to November 15th, or a period of six months, to agree to give them any money or make any allowance as a result of their audit; but they knew, if we told them if credit was due we would pass it, we would. So that's the basis we operated on.

Q. All right. What did that audit show relative to the salvage material belonging to the government?—A. Might I define salvage material as salvage material belonging to the government?



Q. All right?—A. Salvage material belonging to the government would be scrap generated under cost-plus-fixed-fee contracts, inventories under those contracts being owned by the government through their prime contracts, and actually physically there was no government scrap because we conducted what was called a mixed-plant operation, had our own inventory and fixed-price contract, and the government operated under cost-plus-fixed-fee contracts, and the scrap generated in production under those two contracts was commingled. It wasn't segregated. So the proceeds of the scrap sales or credits due separate classification of contracts was determined on a pro rata operation in place of weight of materials manufactured.

Q. In proportion to the weight of the finished product or in proportion to the weight of the virgin metals going in?—A. Well, it was—it involved both. It involved the difference between those two. It was in proportion to the difference in the rough weight of parts scheduled for production and the weight of okay parts produced under each contract.

Q. Both factors were taken in to extract the ratio?—A. Yes, sir.

Q. But the raw materials going in to fabricate the product, some of these materials belonged to Briggs and some belonged to the Government?—A. Yes, sir.

Q. And the scrap then was not segregated but commingled?—A. Yes, sir. So then we determined the Government's and the company's part by means of this proration based on the engineering report I have described. May I pick up your question now?

Q. Now, what did that reflect as to whether or not there was money owing to the Government from Briggs or not?—A. That examination established that, over an approximate twelve months' period from July 1944 to July 1945, that all of the scrap sold by the company—I will say some—I had better not quote that figure—there was a difference of, say, \$7,000 between the price received and the highest bid on each individual lot of scrap computed that way. There was \$7,000 difference between what would have been obtained, had all lots of scrap been sold at the high bid, and what was obtained, because certain lots of scrap were sold at less than the high bid.

The COURT. Why?

The WITNESS. Well, if you will pardon me, I would like to add just a little more. Of this \$7,000, \$4,000 fell into the last six months of 1944, and \$3,000, say, fell into the first six months of 1945. There were three scrap dealers involved, Continental Metal and Reliance Metals in 1944, and Continental Metal and Reliance Metals and Carl Renda Company in 1945.

By Mr. GABER:

Q. Yes.—A. Now, why was this done? These sales were executed by the salvage department, which would have been under George Herbert's direction, with the assistance of Mr. Reichman, on the instructions of Mr. W. J. Cleary, director of purchases, and their instruction came in the form of a schedule of quarterly scrap bids, which he annotated with his initials with "okay" or "X", and that governed them. He made some distinction between scrap that was shipped from the Mack, on the one hand, and Conner and Outer Drive, plants on the other.

Now, I would like to go back and amplify my testimony. Of this \$7,000, approximately \$1,900 of it was determined by proration to apply to cost-plus-fixed-fee-contract scrap, and the balance to company scrap. Now, the upshot of that matter was that the resident auditor asked for an explanation for the orders or instructions covering the sales; and I wasn't personally, on behalf of the company, able to give such an explanation, or wouldn't have been without an enormous amount of work, because I first got the inquiry in connection with this on May 15, 1946. That's by letter from the resident auditor.

The COURT. When you say "resident auditor" you mean the government auditor?

The WITNESS. The Army Air Force Auditor, yes. That term is so familiar to me, I keep slipping it.

The COURT. All right.

The WITNESS. I got that notification that he had made this investigation on May 15th or a few days before, but he put it in writing May 15th. I assigned men to check the audit, and on June 1st, before we had completed assembling data, on the basis of which to hold a conference with Mr. Cleary, Mr. Cleary

died, and that was as the result of a stroke he had a few days previously. So, not having had very good foresight, in the light of subsequent events, we were faced with the position where Mr. Cleary would be the only source, insofar as I know, to determine why this policy was adopted or followed. Now, we didn't agree with the government that there had been any wrongful act committed. We didn't even inform them verbally or in writing that we felt they were due the money.

THE COURT. Would it be a good place right here to say what the government's contention was, and the reasons why they so contended?

THE WITNESS. The government, as I understand it, Judge Murphy, and as I tried to explain earlier this morning, made no specific contention. They wrote a letter and they said, "Listed below are the amounts of money on indicated contracts which represent the difference in scrap sales proceeds between the highest bid prices and the recoveries that resulted by sales from other than to the highest bidders," and then that was worded—we can produce a copy of that letter—I can't quote it exactly. It came to \$1,900, and the concluding paragraph was: "We respectfully request that credit memorandum be issued in corresponding amounts." Now, what they were doing was putting us on notice that they felt a discrepancy existed, and asking us to explain it. Now, had they maintained a fraud existed, which they didn't, they would, I imagine, have followed a different procedure, but they put it up to us to explain ourselves, and we were in the position we were in the dark—

THE COURT. Without Cleary.

THE WITNESS. Without Cleary. We would have a hard time to make a good explanation for that. It looks sort of foolish on the face of it. I don't deny that.

THE COURT. Well, here, I don't know whether you know it; you probably do, but for a great many years, say, twenty-odd up to the beginning of the second quarter of 1945, it had been the continuous practice of the Briggs Manufacturing Company to call for bids from those interested in purchasing the scrap of that company, which would include ferrous and nonferrous metals, waste rags and paper, and it had been the continuous practice throughout those years that the highest bidder would get the contract. And it so happened that the same companies with the slightest variation, did submit the high bids in the various fields of the scrap arising from the Briggs factory, and did get the contracts, but a new practice was invoked about April 1st; that is, it was invoked prior to the commencement of the second period of 1945. I say "period"; I mean the three-month period, the second quarter.

THE WITNESS. May I interrupt, Judge Murphy? As shown by this government audit, that practice commenced probably around about July 1944 or the third period of 1944, that is, sales to other than the highest bidder, and continued from then on.

THE COURT. Well, that may have been the government contention, but for our purposes, it is immaterial, and I don't think the record bears it out, but at any rate, bids were not called for after April 1, 1945. Now, it so happens that superimposed on Briggs on stuff at that time, during that period before April 1, 1945, and subsequent thereto, that we were in a war, and a lot of that material, or a large part of it, belonged to the government. Now, the thing that I am interested in is this; to find out whether the ultimate solution of the problem between Briggs and the government, in regards to the settlement on the waste—and I just simply say this from the record—if Briggs was to carry out its old policy of selling the scrap to the highest bidder, and did do it, and if part of that scrap belonged to the government and part belonged to Briggs, then there would be nothing harmful in them making a settlement on a pro rata basis, where the scrap belonging to Briggs and the government had been commingled and couldn't be segregated.

THE WITNESS. That's right.

THE COURT. But where the government demands that their scrap or their interest in the scrap be sold to the highest bidder, and Briggs gets it into his head that he's going to abolish that system, and sell it to some fair-haired boy at less than the market price, Uncle Sam steps into the picture and says, "Why so? You can give it away, but so far as I am concerned, I want my pro rata share based on the high market, fair market price as of date of sale." So, with that in mind, I take it that the government stepped in and said, "Here, just a minute. This matter wasn't submitted to the highest bidder. You can take your part and you can give it away, but I want mine."

And so I am trying, or the Court is trying to find out just what happened, just what was the position of the government, and what was the basis of settlement.

Now, I say I am interested in that phase right here, and I think Mr. Garber will give you the proper questions, but in answering them, you have kind of a background of what the problem is I am trying to find out about.

The WITNESS. I think I understand.

The COURT. Because that, as far as we are concerned, is just a link in the chain of evidence that some day may have an ultimate end of the road.

The WITNESS. I think—I don't know—I think I can explain that without further questions. The government, in effect, asked us to explain what the consideration for selling their scrap at \$1,700 less than the market, we will say, in the last half of 1944, and \$200 less than the market in the first half of 1945 was, and we indicated without considerable work, verbally, we couldn't explain that, and we were severely handicapped by Mr. Cleary's absence, so we told them that if, as we presumed they would do, they set this amount off against future or pending charges on the contracts, we thought we would waive it. So that is exactly what happened. Here, in bringing these things towards a close—the contracts are not closed yet, that is, we haven't issued our last current charge yet, this set-off was made, and we did not protest it so far, neither did we agree that we were wrong.

The COURT. Let me put it this way: The government claimed, in the light of your testimony, that arising from the set of circumstances and facts that it had, about \$1,900 was due it.

The WITNESS. Yes, sir.

The COURT. The Briggs Manufacturing Company was unable——

The WITNESS. We agreed——

The COURT. Was unable to satisfactorily answer that inquiry because Cleary was dead, and rather than go into it further at great expense, you just simply allowed the claim to be satisfied out of some future business.

The WITNESS. Yes, sir. We would consider it a nuisance settlement, I think.

The COURT. Yes.

The WITNESS. It should be borne in mind that this practice existed for six months in 1944 before it got over into 1945 to involve this particular deal in whom you are interested.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Well, you are not acquainted with the contract that was entered into by the Briggs Manufacturing Company with the Carl Renda Company, are you?—A. No, not specifically, only as a matter of hearsay.

Q. And the auditing department has never audited to see whether or not this is a profitable contract or not?—A. Not to date, no sir.

Mr. GARBER. Well, I think the main purpose—this is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. On the record, are there any times when there might be other considerations that would be known to the top flight men or the front office, so-called, which would not appear in the contract.—A. Well, I presume that not all matters of business policy are spelled out on paper on all occasions. That isn't to say that there would be anything wrongful in such policies.

Q. I am not saying that, so there might be other considerations other than appeared on the contract, and you would be confined, say, to the contract, and you would make suggestions; then there might be other considerations that you knew nothing about, so that you might be overridden in a meeting, is that correct?—A. That might be, or I might be told with respect to the subject contract here—I think we had that up this morning—that it was a prime advantage to get the plant cleared.

Q. Who told you this contract was of prime advantage to the business?—A. You did, sir.

Q. No. You made a statement that Mr. Blackwood——A. Oh, I was thinking of clearing the plant of the scrap. You asked me this morning. I just gave that as an illustration.

Q. You made a statement this morning relative to the scrap which Mr. Blackwood made, some statement as to the advantage of this contract?—A. He just remarked that this contract had been negotiated and that he considered it would be of considerable advantage to the company.

Q. That is, you are talking about the scrap contract of the Renda Company?—

A. That's correct.

Q. And he made the statement or remark, as you wish to put it, that he felt this contract would be of considerable advantage to the company?—A. That's correct, and I took to mean financial advantage, and there the matter dropped.

Q. And that's the only conversation you ever had with Mr. Blackwood relative to this contract?—A. I believe that's correct, yes, except for the other instance that I told you about, when they sent the army air forces intelligence representative to the plant to see me or Mr. Blackwood. I couldn't give them any information.

Q. Tell us the details of that little incident again.—A. Well, I should judge that that occurred in 1945.

Q. About what month?—A. Oh, maybe about June 1945 or thereabouts. I was ill, and off work there for two or three months, but I think it would have been in the late spring or early summer of 1945 when this army representative appeared in the office and wanted to see me and talk about this Carl Renda operation, and I knew nothing about it, and he wanted to see Mr. Blackwood. Mr. Blackwood was engaged in a conference, and this fellow, with all due credit to detectives and so forth, was rather rough and ready, so he wanted to break in Mr. Blackwood's door, so I decided I had better present him some way. I asked him who his immediate superior was. He named an army major at the Central Procurement District. I picked up the phone and called the major and said, Mr. so and so is here, do you want him to act that way?" He said, "no."

Q. So this officer was recalled. He didn't get in to see Mr. Blackwood?—A. Not on that occasion.

Q. Did he get in later?—A. I believe Mr. Blackwood was interviewed, but I don't have direct knowledge of that.

Q. That was in reference to the Renda contract?—A. That's correct.

Q. And you don't know what the result of that was?—A. No.

Q. Do you remember the name of the officer you called?—A. No, I don't, and I wouldn't have any way of establishing it, either.

Q. Did you ever take it up with Mr. Blackwood?—A. Simply to report to him. The Court. What time was that?

The WITNESS. I think June 1945, late spring or early summer.

The COURT. It wasn't Major Russell, was it?

The WITNESS. I really can't say.

The COURT. Was that at 8500 West Warren?

The WITNESS. Yes, West Warren Avenue and Lonyo Road, Hogarth S370, the Central Procurement District, Intelligence Section.

By Mr. GAREER:

Q. You gave some figures, I believe, to the officer, about \$1,000 less received from salvage from Carl Renda in 1945 and 1946. Does that mean \$1,000 less of the army material?—A. On government material and Briggs material commingled, the Carl Renda Company purchased manufacturing scrap in the first six months of 1945 and paid approximately \$1,000 less.

Q. A month?—A. No, for the six-month period. That is, \$1,000 out of the approximate, I believe I have stated it as \$3,000 for the period. It's about one-third of it.

Q. That was commingled scrap belonging to the government and Briggs?—A. That's right.

Q. How much less they paid for scrap belonging to Briggs alone you don't know?—A. Well, they paid the same price for all the scrap, you see, because it would be common, it wouldn't be segregated.

Q. Let me ask you this: Would the commingled scrap of the government be less than the amount that belonged to Briggs individually?—A. Oh, yes, considerably less, because the government only requested \$200 credit out of \$3,000, roughly speaking, involved.

Q. So that out of that amount of scrap, there was \$1,000 over a six-month period of commingled scrap, but you don't know how much less Renda paid for the Briggs scrap?—A. Well, I don't quite understand, and I don't think we find ourselves clear. This commingled common scrap includes government and company scrap.

Q. That would be a small amount of it?—A. That's all the war contract manufacturing scrap there was.

Q. That's right, but Briggs, in the meantime, was doing some independent manufacturing, was it not?—A. Oh, no.

Q. You mean there was only \$1,000 involved over the six-month period of all Briggs?—A. \$3,000, out of which \$1,000 was business done with Renda, and the

other \$2,000 was done with Continental and Reliance Metals. That is the first part of 1945, and this business was let on a quarterly bid basis. Now, there's another thing in here, just to make this thing clearer, toward the end of 1945 and early in 1946, termination inventories belonging to the government, including inventories on fixed price contracts were disposed of, and they were disposed of, insofar as I know, on a high-bid basis, and weren't any part of any agreement, didn't fall under any special agreement there may have been with Carl Renda Company, but then this Renda contract, as I see it, starts sometime in 1946 anyway, but there was a lot of scrap disposed of in 1945 that wasn't done on that basis.

The COURT. On what basis?

The WITNESS. On sale to less than high bidder basis. It would be only certain grades of scrap in a certain period that might be sold that way, and this thing that's been spoken of, didn't exist on a uniform basis. That is, there was a different sales arrangement with respect to the Mack plant scrap than with respect to Conner and Outer Drive plant scrap. Now, it also may have been on less than high bid basis, as to certain parcels of it, but it wouldn't necessarily all have gone to the Carl Renda Company.

The COURT. What was the proposition behind selling the scrap to a party at less than on a high-bid basis?

The WITNESS. I don't rightly know, and I am only hazarding a guess. Mr. Garber suggested to me one of the reasons for doing it might be to keep the plants clear.

The COURT. What do you mean by "keep the plants clear"?

The WITNESS. Keep the scrap picked up and out of there. Now, if I am a dealer and represent them, I can do that. Someone else can't. I suppose maybe that could be another consideration but I am not in position to state whether that was so or not.

The COURT. Well, if the actual clearance of the scrap was made by companies that themselves had direct contracts with Briggs prior to 1945, and the same parties were clearing the scrap daily from the plant after the entrance of Renda into the picture, and if Renda got a contract less than those former contractors, there must be some other factor in there than the mere clearance of the plant of scrap from day to day.

The WITNESS. Well, then, it would be beyond my knowledge.

The COURT. By a process of elimination, you would come to that conclusion, would you not?

The WITNESS. Well, I can't speak directly and I shouldn't speak directly on it.

The COURT. Is there anything further?

Mr. GABBER. I think that's all, your Honor.

(Witness excused.)

---

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

Misc. No. 72052

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Wednesday, December 4th, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: G. L. McGuire, Reporter

4:10 p. m.

CHARLES MARTIN, having been previously duly sworn, was recalled, examined and testified further as follows:

The COURT. Mr. Martin, you have been sworn before?

The WITNESS. Yes.

The COURT. And testified before the Grand Jury?

The WITNESS. Yes.

The COURT. You are now being recalled for further examination?

The WITNESS. Yes.

The COURT. And you are still under oath, you understand that?

The WITNESS. Yes, sir.

The COURT. Now, you have had considerable time off to think this matter over, haven't you?

The WITNESS. Yes, sir.

The COURT. And you have been used as a gentleman by the officers you are with?

The WITNESS. Yes.

The COURT. Nobody hurt you?

The WITNESS. No, sir; I don't just feel good today.

The COURT. Nobody insulted you?

The WITNESS. No.

The COURT. You were treated as a gentleman?

The WITNESS. Yes.

The COURT. And used as a citizen?

The WITNESS. Yes.

The COURT. None of your rights have been impaired?

The WITNESS. No, sir.

The COURT. That is also true when you were here for examination, you were treated them as a gentleman, weren't you?

The WITNESS. Yes.

The COURT. Now, we want the full truth from you at this time, and you are still going to be treated as a gentleman. Proceed.

Examination by Mr. GARBER:

Q. What properties does Mr. Perrone own, Sam Perrone?—A. He owns his home on Beaconsfield.

Q. What number?—A. It was 871, I believe.

Q. What else?—A. Outside of that I don't know what other property.

Q. What about a gas station?—A. His name is on the gas station, whether he owns that or Tino owns it, I don't know.

Q. All right, does he own an interest in the gas station?—A. I think he does.

Q. Where is that gas station located?—A. East Jefferson and Canton.

Q. How long has he had an interest in there?—A. I think three or four years.

Q. It is run now by who?—A. Tino.

Q. Who is Tino?—A. His future son-in-law.

Q. How old a man is Tino?—A. About 24, I think.

Q. Italian descent?—A. Yes.

Q. Do you know anything about Tino's family, where he came from?—A. No.

Q. Is he a Detroit man?—A. I think he is.

Q. Do you know where he lives?—A. No.

Q. You have met him?—A. Yes.

Q. How tall is he?—A. About six feet tall.

Q. How much will he weigh?—A. About 175.

Q. Is he of swarthy complexion?—A. He is dark.

Q. Dark?—A. He has red cheeks.

The COURT. How old is he?

The WITNESS. About 24.

By Mr. GARBER:

Q. Now, who else works there?—A. There are some other boys working there. Who they are, I don't know.

Q. Are they Italian boys?—A. I don't know.

Q. But he has owned this gas station on East Jefferson for at least three or four years?—A. Yes.

Q. And his son-in-law operates it?—A. Yes.

Q. Or prospective son-in-law?—A. Yes.

The COURT. The corner of what street?—A. East Jefferson and Canton.

By Mr. GARBER:

Q. Did you ever meet Lydia Thompson?—A. No, sir.

Q. Do you know her at all?—A. No, sir.

Q. Do you know whether Mr. Perrone knew Lydia Thompson?—A. No, sir; I do not.

Q. Do you know whether he knows her husband?—A. No, sir.

Q. Did you hear him mention the Thompsons at any time?—A. No.

Q. But he does own this gas station?—A. Yes.

The COURT. Did you ever see any newspaper clippings around there about the Thompson case?

The WITNESS. No.

The COURT. Anybody discuss it?

The WITNESS. No.

The COURT. Did you hear about it over in Canada?

The WITNESS. No, sir; I did not.

By Mr. GARBER:

Q. When were you threatened relative to the assistance you were giving Renda?—A. It was in May or June of last year, in the summertime.

Q. What happened on that occasion?—A. I received a call from a gentleman and he says that he wants me to discontinue giving any service to Mr. Renda, and I said, "Who is this?" And he said, "Never mind who it is, but we don't want you helping Mr. Renda." I said, "Would you care to come up to my office and discuss it?" And he said, "No, we won't."

Q. You didn't recognize the voice?—A. No; it was an American voice.

Q. But you were told to lay off?—A. Yes.

Q. What did you say then happened, or what would happen to you if you didn't?—A. He said, "Either lay off, or else."

Q. And you got that threat but you still continued to help Renda?—A. Yes.

Q. Now, did you know Mr. Sam Perrone, when he was in jail?—A. Yes.

Q. In prison?—A. Yes.

Q. Did you do anything to help get him out?—A. No.

Q. Ever talk to anyone about that, about Mr. Perrone when he was in jail?—A. What was the question, please?

Q. Did you ever talk to anyone about Mr. Perrone, trying to get him out of jail?—A. No; the only one I spoke to was Mr. Wieselberg.

Q. Who is he?—A. An attorney.

Q. Let me read a report, Charles Martin—did you ever do anything for Casper?—A. Yes; I did for Sam what I did for Casper.

Q. Both at the same time?—A. Yes.

The COURT. How well do you know Wieselberg?

The WITNESS. I have known him ever since 1926 or 1927.

The COURT. Where does he live?

The WITNESS. He lives at the Whittier.

The COURT. What is his business, an attorney, you say?

The WITNESS. Yes.

The COURT. Where is his office?

The WITNESS. In the Penobscot Building.

The COURT. He is a lawyer?

The WITNESS. Yes.

The COURT. Did he ever act for Perrone?

The WITNESS. I don't think he acted for Perrone. I think Mr. Morse did.

The COURT. He is connected with Mohawk Distillery?

The WITNESS. Yes.

The COURT. Did he act for Perrone?

The WITNESS. I think he represented him, I am not sure.

The COURT. In what?

The WITNESS. The Federal case.

The COURT. Maurey Morse at one time was in the same office with Weiselberg?

The WITNESS. Yes, and Samuel Goldstick.

The COURT. Nate Goldstick, Maurey Morse, and Weiselberg? And then Harry Cohen?

The WITNESS. I think Harry Cohen was on the eighth floor, and they were on the fourteenth floor.

The COURT. So Morse, you think, acted for Perrone in the Federal case he had?

The WITNESS. Yes.

The COURT. How did you happen to mention Weiselberg's name?

The WITNESS. When Mr. Garber asked me if I ever did anything in that case.

The COURT. In the Sam Perrone case?

The WITNESS. Yes.

The COURT. What did you do?

The WITNESS. The Perrone relatives asked me if I could refer them to an attorney, and I think I referred them to Mr. Weiselberg.

The COURT. Did Mr. Weiselberg act for you at times?

The WITNESS. No; just that I knew him. He lives in the Whittier, at least that is where he lived the last time I knew him.

The COURT. Did he, as far as you know, ever act for any of the Perrones?

The WITNESS. I wouldn't know, sir.

The COURT. Go ahead.

By Mr. GARBER:

Q. Were you ever the purchasing agent for the Detroit Waste Paper Products Company at 1304 Orleans?—A. 1301.

Q. Were you ever interviewed by anybody in an effort to get the Perrones out of jail?—A. Yes.

Q. By whom?—A. I wouldn't know the gentleman's name. I think he was from the Federal Department, and he came down to see me, and he wanted to know what I knew about the Perrones, and he wanted to see the books, how much business we did with them.

Q. What did you tell them?—A. I showed them the books.

Q. What did you tell them personally?—A. I told them I knew Perrone.

Q. What did you tell them your opinion of them was?—A. I told them, as far as I knew them, I thought they were nice people.

The COURT. Did you believe that?—A. Pardon?

The COURT. Did you believe they were nice people?—A. Yes.

The COURT. Do you believe it now?—A. They always treated me very nice.

The COURT. You believe it now?—A. Yes.

By Mr. GARBER:

Q. Did you also tell them you didn't think they would violate the law again?—A. Yes.

Q. And at that time you were doing quite a business with the Detroit-Michigan Stove Company?—A. Yes, sir.

Q. So that you had a business interest with the Perrones over there, handling their scraps?—A. Yes.

Q. And the wives of the Perrones were carrying on that business?—A. No. Can I explain that?

Q. Yes.—A. Mr. Garber, we were not handling the scrap iron or metals. We were selling them corrugated rolls, wiping cloths and buying waste paper. The wives were handling these metals but they weren't selling them to us.

Q. Is this about what you told the Federal investigators: You were about 35 years of age, Jewish, educated as a lawyer, changed your name from Margolis to Martin, was raised on the east side, and knew Perrone as a result. Learned that Perrone was in a position to secure scrap of the Detroit-Michigan Stove Company, and cultivated his acquaintance. All scrap other than metal is sold to his firm. Says that he never knew of Perrones being in the illicit liquor racket. He has visited at the home of 3950 McDougall, and also at the summer home on Lake St. Clair, knew the family and always had a high opinion of them. Feels that the applicant will not again violate the law.—A. Yes.

Q. Is that what you told them?—A. Yes.

Q. Did you cultivate them in order to do business with them?—A. I didn't cultivate them. What do you mean by that?

Q. You knew them, started to cultivate them, became friendly with them to obtain the business?—A. Yes; I was friendly with him.

Q. You are still friendly with them?—A. Yes.

Q. You told us the other day you met James Renda, the uncle of Carl Renda, at a cottage across the river?—A. Yes.

Q. Does James Renda have a prison record?—A. All I know is what Carl told me.

Q. What did he tell you?—A. He has been in prison here in Detroit.

Q. Now, Carl has a stepfather?—A. Yes.

Q. What is his name?—A. I don't know.

Q. Where do they live?—A. I don't know.

Q. Do you know whether he has a criminal record or not?—A. I don't know.

Q. Is he an Italian fellow?—A. I assume he is.

Q. And this Busty, this half-brother that works for Carl, is the son of the stepfather whose name you do not know?—A. Yes.

Q. Have you ever met Mrs. Renda, the mother of Carl?—A. No.

Q. You don't know where they live?—A. No.

Q. Carl has never talked about them?—A. No, sir, I have never been to their home.



Q. Now, have you ever met any relatives or friends of either Carl Renda or Sam Perrone, or any of the Perrones who were visiting here from Chicago?—A. No.

Q. New York?—A. No, sir.

Q. Any place out of Detroit?—A. No, sir.

Q. Do you know whether or not certain men made periodic visits to the home of Renda?—A. No, sir, I do not.

Q. Do you know who the friends of Sam Renda are?—A. What is that question?

Q. Who are the friends of Sam Perrone?—A. I wouldn't know.

Q. Have you ever been introduced to any of their friends?—A. I have been introduced to Mr. James Renda through Sam Perrone.

THE COURT. You are an intimate of of these people, and you are a three-year man in the law school?

THE WITNESS. Yes.

THE COURT. And you are not hanging around with that crowd just for your health, see.

THE WITNESS. Yes, sir.

THE COURT. So be careful with your answers, and give us the whole truth.

THE WITNESS. I am giving you the truth, Judge. I swore to tell the truth, and I am going to tell the truth.

By Mr. GARBER:

Q. Are you afraid of the Perrones?—A. No, sir; I am not.

Q. Are you afraid of anybody? Are you afraid to talk?—A. No, sir.

Q. Fear something will happen to you if you happen to mention some of them?—A. The only thing I am afraid of is just my own business that I have been neglecting.

Q. Your business isn't one of our worries right now.—A. Yes, sir.

Q. Are you afraid of the Perrones?—A. No, sir. I have no cause to be afraid of the Perrones.

Q. Are you afraid if you should testify and tell us something that might reflect against them, they would do something to you?—A. No; I am not afraid of that.

Q. You are not afraid?—A. No.

Q. You have no fear of any kind to telling us the truth?—A. No.

Q. Because if you have, say so.—A. I have no fear, Mr. Garber.

Q. In other words, when you hesitate it is purely voluntary on your part to telling us some of these things; is that right?—A. Yes.

Q. Now, let's go back to when—to your own business for a minute, you are worried about. You have been trying over a period of years to get part of the Briggs Manufacturing scrap?—A. Yes.

Q. Were you ever able to get one nickel's worth?—A. No.

Q. You have gone to see them over there time and time again?—A. Yes.

Q. And you have talked to Mr. Herbert on numerous occasions?—A. Yes.

Q. And Mr. Herbert never gave you any business?—A. No.

Q. So when you came home from the army you were called up by Sam Perrone and invited out for a social evening?—A. Yes.

Q. You were wine and dined, and your health was inquired about?—A. Yes.

Q. Were you single at that time?—A. Yes.

Q. So you went out there, and that was about what month?—A. Either in January or February 1944.

Q. Then, how often would you see the Perrones after that?—A. Oh, maybe once a month.

Q. Could it be oftener than that?—A. It might be.

Q. At that time you were going with your wife; is that right?—A. No; it was several months after that.

Q. That you met your present wife?—A. Yes.

Q. You have been married five months?—A. Yes.

Q. But previous to your marriage you had introduced your wife to Perrone and to Renda?—A. Yes.

Q. And Mrs. Renda and your wife became real good friends?—A. Yes.

Q. And they still are good friends?—A. Yes.

Q. So that you started their social acquaintance, that is, with the Perrones and the Rendas, along with Mrs. Martin even before your marriage, and that has continued since your marriage?—A. Yes.

Q. So, although you had endeavored numerous times to get part of the Briggs business, you were never able to get any?—A. That's right.

Q. Then sometime in the early part of 1945 you received a call from Carl Renda, and he told you he thought he was going to get the scrap business?—A. Yes.

Q. Previous to that time he had been working at the National Twist Drill; is that right?—A. Yes.

Q. Next you received a call from him, and he said he had the Briggs business?—A. Yes.

Q. The same business you had been trying to get for years?—A. Yes.

The COURT. You had experience and he had none?

The WITNESS. Yes.

By Mr. GARBNER:

Q. And he came to you to get considerable knowledge to get him by over there until he could get that contract; is that right?—A. Yes.

Q. What did you ask him, "how in the hell did you get it?" or something like that?—A. I did.

Q. What did he say?—A. He said he got it through a social contact.

Q. What was that social contact?—A. I was led to believe it was Mr. Fry.

Q. You ever hear Mr. Renda speak of John Fry?—A. Yes.

Q. He knows John Fry?—A. Yes.

Q. But you never heard him speak of Mr. Cleary before the time he said he had the contract?—A. What was that question?

Q. You never heard Carl Renda speak of Mr. Cleary before the time he said he had the contract?—A. No.

Q. But he had talked to John Fry on numerous occasions, is that right?—A. I don't know if he talked to John Fry.

Q. Of him?—A. Yes, sure.

Q. That he knew John Fry on numerous occasions before this deal?—A. Yes.

Q. But you never heard him mention the name of Cleary?—A. No.

Q. Carl Renda didn't belong to the D. A. C., did he?—A. No.

Q. The Detroit Club?—A. No.

Q. Boat Club?—A. No.

Q. Yacht Club?—A. No.

Q. You know of no way he would have any social contact with Mr. Cleary, do you?—A. No.

Q. But he would be able to get in to see John Fry?—A. Yes.

Q. Do you know what the social contact was that he had?—A. No.

Q. Would you know of any other man that Carl Renda knew that might know Mr. Cleary or any of the high officials of the Briggs?—A. He spoke to me about one of the executives at the United Drawn Steel Company in Albion, Michigan. He used to go to college with him.

Q. United Steel?—A. I believe it is Union Drawn Steel, the correct name of it.

Q. Do you know his name?—A. No; he said that he used to go to college with him.

Q. You mean Clark Dean?—A. I don't know his name.

Q. Former mayor of Albion?—A. No.

Q. You don't?—A. No. I thought the mayor of Albion was a junk man.

Q. Clark Dean used to play football with me.—A. No, previous to that they had a junk man as mayor, I think.

Q. You don't know the man?—A. The brothers are famous gamblers, the Frank brothers.

The COURT. You mean Harry and Sam Frank?

The WITNESS. In the junk business. I understood one of them was mayor.

The COURT. You know Harry and Sam Frank, that used to be in the junk business here in Detroit?

The WITNESS. No.

The COURT. Never heard of them?

The WITNESS. No. Under what firm name?

The COURT. Under what firm name? Under the name of Harry and Sam Frank, as far as I know.

The WITNESS. No, sir.

By Mr. GARBNER:

Q. Was that the Albion Malleable, down there?—A. Union Drawn Steel Products, I believe they call it.

Q. It wasn't Harley Transue, was it? His father used to be mayor of Albion?—A. I don't know.

Q. All right, be that as it may. Then, after you found out he had the contract, he asked you to prepare a contract between Renda and Briggs, is that right?—A. Yes.

Q. And you prepared one?—A. Yes.

Q. And that one was rejected?—A. Yes.

Q. Then you prepared another one?—A. Yes.

Q. How long before he returned that contract back to you and said it was signed?—A. He didn't return it back to me.

Q. You saw it?—A. I saw it, yes.

Q. How long afterwards?—A. I think it would be around three or four weeks afterward.

Q. That would be about what month, or what year?—A. I think it would be before June 1945.

The COURT. Perrone's lawyers you said the other night—

The WITNESS. Pardon me.

The COURT. You said the Perrones' attorney was either Tony Maiullo or the Colombos?

The WITNESS. Yes.

The COURT. You have no interest in this Carl Renda Company?

The WITNESS. No.

The COURT. You are not a lawyer?

The WITNESS. No.

The COURT. You were trained in law school?

The WITNESS. Yes.

The COURT. However, you have no interest in this contract. Why didn't the father-in-law have Tony Maiullo or the Colombos do this legal work if everything is aboveboard?

The WITNESS. I don't know, sir.

By Mr. GARBER:

Q. Anyway, it was sometime near the middle or before the middle of the year 1945?—A. Yes.

Q. Then what was the next move?—A. Then he called me up and he said that Woodmere wants a term to it. He had been selling to Woodmere and Continental.

Q. On a day-to-day basis?—A. Yes.

Q. And they wanted a contract for a period?—A. Yes.

Q. And you agreed to draft that contract?—A. Yes.

Q. You did draft it?—A. Yes.

Q. Then you, Sam Perrone and Carl Renda went out to do business with the Woodmere?—A. Yes.

Q. Did Sam Perrone go in with you?—A. Yes.

Q. Did he say anything?—A. No.

Q. What did he do?—A. He was sitting there, and Louis Friedman asked him when he could buy the scrap iron from him, from the Detroit-Michigan Stove Works.

Q. What did he say?—A. He said, in time, he would sell it to him.

Q. Did he enter into this contract?—A. No.

Q. How did you get out to the Woodmere?—A. We drove out there.

Q. Whose car?—A. Carl's car.

Q. They picked you up?—A. Yes, at my office.

Q. And you arrived there and Sam Perrone was along?—A. Yes.

Q. What did you talk about on the way out to Woodmere?—A. Well, we were talking about different things and Sam said he was glad his son is in business now and he has got a good business.

Q. That he had a good business?—A. Yes.

Q. Meaning the Briggs business?—A. Yes.

Q. Seemed to know all about the deal?—A. Well, how much he knew about the deal, I don't know. He said they were going to do a lot of business there because they were big plants.

Q. He said they were going to do a lot of business at Briggs?—A. Yes.

Q. Did he say they were going to go out to Ford's, too?—A. No.

Q. Did he ever mention Chrysler?—A. No.

Q. Did you ever go out to see Mr. Rush out at Ford's with Renda?—A. No.

Q. Do you know whether Renda went out there?—A. Yes.

Q. Who did he go with?—A. I don't know.

Q. What happened to that deal?—A. I asked him whether he was getting that business, and he said "No"; he couldn't get it right away.

Q. But he said he thought he could get it later?—A. He said he would attempt to get it later.

Q. How was he going to get that business?—A. That I don't know, but on the previous question I would like to go a little further into that deal, if I may, Mr. Garber.

Q. All right; he was going to get it later.—A. He told me that someone had made a complaint that he was an Italian with a criminal record that was the reason why they couldn't give him the business, and he felt very hurt about it, because he had never had a record, although he was Italian, so he had made an appointment to see this former FBI man working at Ford's now.

The COURT. You mean Bugas?

The WITNESS. Yes, and he was going to go out and meet him, and ask him if that was the reason why they wouldn't give him the business.

By Mr. GARBER:

Q. But he had hopes of getting that?—A. Yes.

Q. And he has not abandoned those hopes?—A. I don't know.

Q. Did he ever talk to you he thought he was going to get the business at Chrysler's?—A. No. The only business I know of he got was some copper from the General Electric and some steel from a steel corporation up here on John R and Nine-Mile Road, I think from a plant up there.

Q. And he got some copper out of General Electric?—A. I believe so.

Q. How long ago was that; how long after he got the Briggs contract?—A. I think that was this year, sir.

Q. Just this year?—A. Yes.

Q. So, his business has been expanding outside of the Briggs plant at the present time?—A. Yes.

Q. Do you know how much volume they get from the General Electric?—A. I think he said he got one load of copper.

Q. Did he ever commit himself as to how he expected to get the Ford business?—A. No; he didn't.

Q. But he was after it?—A. Yes.

Q. Did he make a try?—A. Yes, but something came up he had a criminal record, and he couldn't get the business.

Q. Is that right?—A. Yes; and he said he was going to see Mr. Bugas.

Q. Do you know who the man was he saw at Ford's?—A. No.

Q. Do you know whether Sam Perrone went out there with him?—A. No.

Q. Did you ever go out there with him?—A. No.

Q. Do you know who did go with him?—A. No.

The COURT. Did you go in the car and sit outside?

The WITNESS. No.

By Mr. GARBER:

Q. Do you know how he got an appointment out there?—A. No; I don't.

Q. All right, now. What was the next contract that you got at the Continental?—A. Metal.

Q. You went out there on that deal?—A. Yes.

Q. Who else?—A. Sam Perrone, Carl, and myself.

Q. How did that deal go over?—A. That deal they agreed on a certain price, selling the metal for certain terms.

Q. On nonferrous metals?—A. Yes.

The COURT. What did Sam say?

The WITNESS. Sam said to Mr. Temchin he was going to have some aluminum plates from the Detroit-Michigan Stove Works, and he asked Mr. Temchin the price.

The COURT. What was the purpose of Sam being with you?

The WITNESS. My own opinion, Judge, Carl being green in the business, is to see Carl makes as good a deal as he could possibly make.

The COURT. You were the adviser of Carl?

The WITNESS. Yes.

The COURT. What did Sam need to be there for?

The WITNESS. Unless Carl brought him along, Judge, because they picked me up at my office.

The COURT. It wasn't for protection?

The WITNESS. No, sir; it wasn't for any protection.

By Mr. GARBER:

Q. Do you know whether Sam Perrone carried a gun when he went out there?—

A. No.

Q. A blackjack?—A. No.

Q. You don't know whether or not he did have one?—A. I don't know.

Q. But you got that deal?—A. Yes.

Q. How much did you make on that deal?—A. From two to ten dollars a ton.

Q. On the price you were paying at Briggs?—A. Yes.

THE COURT. What did you get out of it?

THE WITNESS. Nothing, sir. I swear to you I didn't get anything.

THE COURT. You are telling us you are doing all of this work for nothing?

THE WITNESS. For nothing; that is the honest-to-God truth.

THE COURT. You are dealing with these Italians. They are no relatives of yours?

THE WITNESS. No.

THE COURT. They don't have your religion?

THE WITNESS. No, sir.

THE COURT. They don't go to your church?

THE WITNESS. No.

THE COURT. You have no business transactions with them, no money?

THE WITNESS. No.

THE COURT. You're doing it for nothing?

THE WITNESS. Yes.

THE COURT. You want us to believe that?

THE WITNESS. Yes; I want you to believe that, Judge, on the future of getting business from the Briggs.

THE COURT. All right.

By Mr. GARBER:

Q. How much did they make a ton on that first contract over to Woodmere?—

A. I believe it was from a dollar and a half to two and a half.

Q. Would it average approximately \$2 a ton?—A. Yes.

Q. So that deal was made, and you made approximately \$2 a ton?—A. Yes.

Q. No handling, nothing at all?—A. Yes.

Q. Approximately how many tons a month would that be, there, in that deal?—

A. I have never seen the figure.

THE COURT. Your best estimate?

THE WITNESS. Maybe a thousand tons a month.

By Mr. GARBER:

Q. That made a couple of thousand dollars on ferrous metals?—A. Yes.

Q. How many tons would there be on the nonferrous? Were they making anywhere from two to ten dollars a ton on that?—A. Oh, I would say maybe 150 tons a month.

Q. Could be more, and could be less?—A. Yes.

Q. That would be a pretty good account in itself; wouldn't it?—A. Yes.

Q. And they didn't have to even touch that?—A. No, sir.

Q. Didn't have to load it?—A. No.

Q. Didn't have to do a thing to it; did he?—A. No.

Q. Now, we go into the waste paper angle. What about that?—A. That waste paper was loaded into boxcars and shipped directly to the mill.

Q. Now previous to that time the contractor had to pick it up at the various plants?—A. Yes.

Q. Under the contract that was entered into by Renda, it was all delivered to the Mack plant?—A. Yes.

Q. And the paper was loaded on the cars for an extra dollar a ton?—A. Yes.

Q. They can't possibly do that work for a dollar a ton; can they?—A. I don't know what it would cost Briggs, but a dollar was set up by the waste-material dealers' association.

Q. Would it cost Briggs \$2.70 a ton to load it on the car and bale it up for them?—A. Possibly so.

Q. Well, it would; wouldn't it?—A. Yes.

Q. That was something they had not done for the previous purchaser; had they?—A. It was baled for the previous purchaser.

Q. But it wasn't all brought to one plant?—A. No.

Q. So there was the additional work of bringing it all to the plant?—A. Yes.

Q. And the baling and loading of the cars?—A. Mr. Garber, they can't handle waste paper loose. It has to be baled at the plant.

Q. And they got a dollar a ton for that extra work?—A. Yes.

Q. Which, on the basis of the Briggs' payments under their contract, would be a lot of money to them, would it not?—A. Yes.

Q. How much did he make a ton on the waste paper stuff?—A. Four percent or five percent.

Q. Now, you told us you had hoped—A. All they were making was the brokerage.

Q. All right, why didn't you buy that from them if all they were making is brokerage?—A. Because I couldn't pay them any more than the selling price for it, and that's what they were paying, the selling price.

Q. So you didn't get any of that?—A. No.

Q. All of that business you had been trying to get for years went down to Monroe?—A. Yes.

Q. Without your making a dime on it?—A. Yes.

Q. Now, you had been out days drafting a contract, gone out to make these deals, everything else, and you had to stand idly by watching the very product you wanted being shipped to the Monroe Waste Paper Products?—A. Yes.

Q. And you didn't make a dime on the deal?—A. No.

Q. What have they got on you?—A. Nothing.

Q. Have they got anything on you? You stole something, or did something you shouldn't have?—A. No.

Q. Why are you so willing to give your time so generously?—A. For the sake of getting business in the future.

Q. Why were you so willing to sit back here and stick your chin out and recommend these Perrones as being such fine fellows?—A. I knew them and I was doing business with them.

Q. You were doing business with Renda, and you weren't making anything. The COURT. When you wrote that letter Mr. Garber just referred to, Renda didn't have this contract?

The WITNESS. No.

The COURT. That was a voluntary contribution at that time?

The WITNESS. Yes, I had known them before, Judge.

The COURT. Did you ever make any money through them?

The WITNESS. Just whatever waste material I purchased.

The COURT. Well, you could do that up to my house, in a small way?

The WITNESS. Yes.

The COURT. You have a lot of other customers you buy from?

The WITNESS. Yes.

The COURT. You go around house to house?

The WITNESS. Yes.

Q. And you go around and visit these people at their homes?—A. Yes.

The COURT. You visited their summer camp?

The WITNESS. Yes, and sometimes I have helped them get transportation tickets, baseball tickets, small favors like that.

By Mr. GARBER:

Q. How well are you personally acquainted with Fry?—A. I just met him once, Mr. Garber. I met Mr. Fry and also Mr. Fry's brother-in-law, Mr. Candler, who I think is the foreman out there.

Q. At the Detroit-Michigan Stove Works?—A. Yes.

Q. Now, the Perrones were in jail when you gave this report on them, weren't they?—A. I think so.

Q. Well, you know so, don't you?—A. I wouldn't know without calling the dates.

Q. How many times do you know of their being in jail?—A. Twice.

Q. What were they in for the first time?—A. I think he was arrested for leaving the scene of an accident.

Q. What about carrying concealed weapons?—A. I don't know.

Q. Did you go to the front for him on that?—A. No, sir.

Q. Did you do anything about that?—A. No, sir.

Q. Well, then, you have personal knowledge of how many arrests?—A. Two.

Q. And he served time on both of them?—A. I think he was fined for leaving the scene of an accident.

Q. Did you ever talk to Mr. Fry about the Perrones?—A. No, sir.

Q. Did you see other people who were making these recommendations here about him?—A. Did I see what?

Q. Did you ever see the other recommendations people were making to get the Perrones out of jail?—A. No, sir.

Q. Did you ever know that during the strike that was had over at the Michigan Stove Works that he took part as a strikebreaker over there, and considerable violence resulted all through the Perrones and people he hired?—A. No, I didn't know that. I know my brother-in-law was working at the Michigan Stove Works.

Q. What is his name?—A. Sam Rosenthal.

Q. He was working there during the strike?—A. Yes, he didn't come home because he couldn't come out of the place.

Q. Who was breaking the strike over there?—A. All I know is what Sam told me; the police department called him a strikebreaker.

Q. Called who?—A. Called him.

Q. Called Perrone or your brother-in-law a strikebreaker?—A. No; Perrone. My brother-in-law also worked there.

Q. Who is Ispano Perrone; who is he?—A. That is Casper.

Q. What did you know about Ispano, his activities in the strike they had over there in 1934?—A. Nothing.

Q. Did you know that Mr. Fry hired him and kept him working there for the reason that he was indebted to Ispano Perrone for helping the company break the strike in 1934?—A. No.

Q. You didn't know the Perrones were strikebreakers?—A. No.

Q. Do you know that after the strike Fry had a verbal contract with Perrone for hauling all Metropolitan trucking and removal of scrap from the Stove Works, and that Fry was also of the opinion that this scrap is given to the Perrones free, and said that the removal of same had become a problem, and that the firm did not find it profitable to sell it to scrap dealers itself, and it was also in consideration for breaking the strike?—A. No; I knew that Sam Perrone told me he had worked for the Stove Works when Mr. John Fry was an office boy or clerk there. He said ever since he came to work there, he has known John Fry and he has watched John Fry go right to the top.

The COURT. Does Perrone still work there?

The WITNESS. They were both working there in the core room, over there, making cores.

By Mr. GARBER:

Q. They are still there, aren't they?—A. I don't know. I haven't seen Casper in over a year.

Q. Sam is still there, isn't he?—A. Yes.

The COURT. Sam still works there?

The WITNESS. I don't know if he is working but he has a truck taking out that scrap iron.

The COURT. But he works there too?

The WITNESS. I know I have seen him in the core room about a year ago.

The COURT. And he lives on Yorkshire?

The WITNESS. Beaconsfield now.

The COURT. He did live on Yorkshire? Who lived on Yorkshire?

The WITNESS. He used to own that home and he sold it.

The COURT. 1210 Yorkshire?

The WITNESS. Yes.

The COURT. Sam owns a house on Yorkshire, or did?

The WITNESS. Yes.

The COURT. And he now lives on Beaconsfield?

The WITNESS. Yes.

The COURT. And he works in the core room?

The WITNESS. Yes.

The COURT. Where is that 1210 Yorkshire, between what streets?

The WITNESS. I think it was the second building off Kercheval, because Casper has a house right next door to him, and he is on the corner.

The COURT. Doesn't that seem strange to you, a fellow would be working in the core room in a foundry, and living on Yorkshire?

The WITNESS. That is a nice place up there.

By Mr. GARBER:

Q. Well furnished?—A. Yes.

Q. How big a place has he got up at the hunting camp?—A. I have never been up there.

Q. You heard him tell about it?—A. Yes.

Q. How many acres of ground does he have?—A. 200.

The COURT. Where is that located?

Mr. GARBER. At Cummings, Michigan.

The COURT. Where is that?

Mr. GARBER. It is up beyond Mio.

The COURT. In the southern peninsula?

The WITNESS. Yes.

By Mr. GARBER:

Q. What else other than land has he got besides his gas station and this nice home? How does this present home compare with the one he sold?—A. The one he has now is a two-family flat, I think five rooms, and he lives downstairs and Carl Renda lives upstairs.

Q. The home he had before was quite gorgeously furnished?—A. Yes, a six-room home, seven-room home.

Q. Well furnished?—A. Yes.

Q. And his home is well furnished now?—A. Yes, I think some of the furniture from that other house is in this one.

Q. What else does he have?—A. I don't know if the house on McDougall belonged to him or Casper.

Q. What else?—A. I have heard him speak about some home on Townsend.

Q. Who owns that?—A. I think he owns it.

Q. Sam?—A. Whereabouts it is, I don't know.

Q. What stocks does he buy?—A. What stocks does he buy?

Q. Yes.—A. He don't buy any stock I know of.

Q. Doesn't he own any stove works stock?—A. No; he don't but his wife owns some.

Q. How much does she own?—A. 900 shares.

Q. You own some also?—A. 100.

Q. She owns 900 shares at \$11 a share?—A. Some at 10 and some at 11, I believe.

Q. Does she wear diamonds?—A. Yes.

Q. A lot of them?—A. I didn't pay particular attention.

The COURT. How old is she?

The WITNESS. I don't know exactly.

The COURT. Say 35, 50, what?

The WITNESS. I think she is a little over 40.

By Mr. GARBER:

Q. A mink coat?—A. Yes.

Q. Dresses very well?—A. Yes.

Q. They go south in the winter?—A. I have never heard of it.

Q. Where do they go for vacation?

The COURT. What kind of a car do they drive?

The WITNESS. Pontiac sedan.

By Mr. GARBER:

Q. A new one?—A. Yes.

Q. Do they travel?—A. I think I heard her say once she went to California.

The COURT. What color car?

The WITNESS. Grey.

By Mr. GARBER:

Q. How long was she in California?—A. I don't know, sir. I think a month.

Q. Where did she stay?—A. I don't know, Mr. Garber. I think she told me she drove down there, but I am not sure.

Q. Does she have a car also?—A. Yes.

Q. And he has a car?—A. Yes.

Q. What kind of a car does she have?—A. Pontiac.

The COURT. How many children do they have?

The WITNESS. Three.

The COURT. All girls?

The WITNESS. Yes.

The COURT. Which is the one married, Renda?

The WITNESS. Mary.

The COURT. Is she the oldest?

The WITNESS. Yes.

The COURT. How hold?

The WITNESS. 25 or 26.



The COURT. And the others are girls you say?

The WITNESS. Yes, Veta, I think, is about 21 and Paulie is going to high school. She must be around 17.

The COURT. The middle girl is at home?

The WITNESS. Yes.

The COURT. She is not married?

The WITNESS. She is the one getting married to Teno.

The COURT. He is the one that runs the gas station?

The WITNESS. Yes.

The COURT. Where does he live?

The WITNESS. I don't know.

The COURT. How long have you known him?

The WITNESS. Since he started running the gas station.

The COURT. How long is that?

The WITNESS. About a year, I think.

By Mr. GARBER :

Q. Do you know the Gentiles?—A. No.

Q. Do you know the Toccas?—A. No.

Q. Sure?—A. Sure.

Q. Never heard of them?—A. No.

The COURT. Never heard them spoken of?

The WITNESS. No.

The COURT. By the Perrones?

The WITNESS. No.

The COURT. Or the Rendas?

The WITNESS. No.

By Mr. GARBER :

Q. Do you know why a note left by Lydia Thompson, leaving word to the police or anyone else, to see a man on East Jefferson at the gas station by the name of Perrone, do you know why that was?—A. No, sir; I don't know that.

Q. Have you any idea of that?—A. I wouldn't have any idea; none whatsoever.

Q. Do you know whether Mrs. Thompson, before her murder, was in the scrap business of any kind?—A. I don't know that.

Q. Did you ever hear of her?—A. No. The only place I ever heard of her is on reading the newspapers.

The COURT. Did you ever borrow any money from the Peronnes?

The WITNESS. No.

The COURT. Did you ever know of anyone else borrowing from them?

The WITNESS. Yes.

The COURT. Did they ever borrow from you?

The WITNESS. Yes.

The COURT. How much?

The WITNESS. \$1,000.

The COURT. When?

The WITNESS. When they bought the gas station.

The COURT. When was that?

The WITNESS. I believe in 1944.

By Mr. GARBER :

Q. Who borrowed it?—A. Sam.

Q. Why the devil, a while ago, did you say you didn't know whether he owned it or not, when you were asked that question?—A. Because he told me he was giving the gas station to his son-in-law.

Q. He isn't his son-in-law yet, is he?—A. No.

Q. He has only been running it a year?—A. Yes.

Q. He has been in the service prior to that?—A. Yes.

Q. Why in the hell didn't you come out and tell us that? Why did you tell us a while ago, when you were asked that question, you didn't know whether he had it or not?—A. Because he told me he was giving the gas station to his son-in-law.

Q. The hell he did. You told us you didn't know whether he owned the property or not.—A. That's right.

Q. You knew Sam Perrone was buying the gas station.—A. What he said.

Q. You loaned him the money?—A. Yes.

The COURT. How did you loan it?

The WITNESS. By check.

The COURT. Did you get any security for it?

The WITNESS. Yes.

The COURT. What?

The WITNESS. His check back postdated.

The COURT. For how long, for how much postdated?

The WITNESS. Thirty days.

The COURT. Did you collect on it?

The WITNESS. Yes.

The COURT. Outside of that you had no security?

The WITNESS. No.

The COURT. None at all?

The WITNESS. No.

The COURT. Do you generally carry on business that way?

The WITNESS. No, but I knew he——

The COURT. You don't do that with anybody else?

The WITNESS. No; you know why I did that?

The COURT. Why?

The WITNESS. Because he told me he gets paid by the Michigan Stove Works for his trucks once a month.

The COURT. And you had enough confidence in him to do that?

The WITNESS. That has was going to pay me for it.

The COURT. You had confidence enough in him to accept his postdated check for your \$1,000?

The WITNESS. Yes.

The COURT. You give him a good check?

The WITNESS. Yes.

The COURT. And he give you a promise to make good in a month?

The WITNESS. Yes.

The COURT. And he did make good?

The WITNESS. Yes.

The COURT. No security?

The WITNESS. No.

By Mr. GARBER:

Q. Did you loan Renda any money?—A. No.

Q. Did he ever ask to borrow any?—A. No.

The COURT. For what is he collecting \$1,000 a month from the Stove Works?

The WITNESS. I think he gets \$2.50 an hour or \$3, for the trucks, and he has four or five trucks.

Mr. MOLL. What is that contract worth?

The WITNESS. Which one?

Mr. MOLL. The Michigan Stove scrap contract.

The WITNESS. It all depends on what he pays on it.

Mr. MOLL. You are a good scrap man. What is it worth? What could you make on it?

The WITNESS. I estimated 500 ton of scrap iron a month, and I could make \$2 a ton, I could make a thousand dollars.

The COURT. How much do they make?

The WITNESS. I don't know.

Mr. MOLL. Well, give us your best guess.

The WITNESS. I would think a couple of thousand, maybe.

Mr. MOLL. Better than that?

The WITNESS. If they get all the scrap, got all of the waste——

Mr. MOLL. Not if. What do you think?

The WITNESS. Judge, I would estimate—I think I could make, if I was doing business with them, a couple of thousand.

The COURT. When you were swapping checks with Sam Perrone, no security, you must know a great deal about his business and ramifications, and you are in the scrap business yourself, you gave all of this advice to young Renda to get him started. How many tons do they take out of there a month?

The WITNESS. It would be my guess they could take out anywhere from two to five hundred thousand ton a month.

Mr. MOLL. How much ton—how much profit on a ton?

The WITNESS. I don't know.

Mr. MOLL. What do they pay for it?

The WITNESS. I don't know.

The COURT. What profit ought they to get?

The WITNESS. Two to three dollars a ton.

By Mr. GARBNER:

Q. How much would he make if he got it for nothing?—A. What it was worth.

Q. How much is it worth today?—A. \$20 a ton today.

Q. When you were trying to get Perrone out of jail Fry made the statement they were giving it to him.—A. I don't know.

Q. Would you think it would be worth \$5,000 a month?—A. I don't know.

Q. How much were you buying of that scrap over there, this waste paper, whatever it was? How much were you paying them a month for this waste paper?—A. I think it ran about one hundred or two hundred dollars a month.

Q. What else did they have besides waste paper and ferrous metals?—A. We were selling them corrugated rolls.

Q. Not what you were selling them, what you were buying, what else were you buying?—A. I think some dust bags.

Q. What were you paying for them?—A. Five or six cents a bag.

Q. How many do you get?—A. Several thousand per month.

Q. How much would that run into?—A. Several hundred dollars.

Q. But you were buying the paper at 150 or 200 a month?—A. Yes.

Q. You figure that might run as high as 500 ton on ferrous metals?—A. Yes.

Q. Any ferrous metals over there?—A. I think so.

Q. How much would that run?—A. Very little.

Q. But there would be some?—A. Yes. I might add when I was at the Detroit Waste Products we bought one big salvage deal up there that was surplus, different parts, screws, bolts, and handled, I think, either seven or eight truckloads, and I think the deal involved \$500.

Q. Who did you pay?—A. Mr. Perrone.

Q. You paid directly to Sam Perrone?—A. Yes.

Q. The check didn't go to the Detroit-Michigan Stove Works?—A. No.

Q. It went to Perrone directly?—A. Yes.

Q. And at the same time he is working in there as a coreman?—A. Yes.

Q. And he is doing that kind of business, but he is working right in there as a coreman, doing hard work?—A. Yes.

Q. Isn't the reason he is working in there as a coreman, so he can keep in touch with the men there, and maintain this strikebreaking business?—A. I suppose it could be.

Q. What is it?—A. Well, I suppose so.

Q. It is, isn't it?—A. I guess so.

The COURT. What do you think?

The WITNESS. I think it is possible.

The COURT. You have told us that Sam Perrone lives on Yorkshire?

The WITNESS. Yes.

The COURT. In a big, single dwelling?

The WITNESS. Yes.

The COURT. Well furnished?

The WITNESS. Yes.

The COURT. And he sold it?

The WITNESS. Yes.

The COURT. And now lives in a flat on Beaconsfield?

The WITNESS. Yes.

The COURT. And his son-in-law lives upstairs?

The WITNESS. Yes.

The COURT. He owns a house on Townsend?

The WITNESS. Yes.

The COURT. He owns one where else?

Mr. GARBNER. He owns a place at Cummings, Michigan.

The WITNESS. Yes.

The COURT. Where he owns a couple of hundred acres with a hunting lodge?

The WITNESS. Yes.

The COURT. His wife has nine thousand shares——

The WITNESS. 900.

The COURT. 900 shares in the Michigan Stove Works, wears a mink coat, travels around the country, wears diamonds, and he has a contract with the Michigan Stove Works for the scrap, and he is working in the plant as a coreman.

The WITNESS. Yes.

The COURT. Now, you studied law?

The WITNESS. Yes.

The COURT. What do you think he is working down there with that wealth around him for? Your honest opinion, what is he working there among those men for, working as a day laborer?

The WITNESS. Judge, may I tell you something?

Mr. GARBER. Hell, yes, that's what we want you to do.

The COURT. You're going to tell us something here, and you're going to tell the truth, because you are getting pretty close to the precipice.

The WITNESS. Judge, you said he is working there as a coremaker. If I get it correct, if I could correct you, he is not working as a coremaker. He has the core contract there. He works there making cores.

The COURT. He is on the payroll?

The WITNESS. He told me has a contract making cores for the Detroit-Michigan Stove Works.

The COURT. And he has got the scrap contract?

The WITNESS. Yes.

Mr. GARBER. And he has the trucking contract?

The WITNESS. Yes.

The COURT. All right, modify it that way and give us your opinion.

The WITNESS. What is the question?

The COURT. What is he doing? What do you think he is in there for? What do you think he got that contract, whether it is making cores, carting or handling the scrap, what is the lowdown, in your opinion?

The WITNESS. In my opinion he has known Mr. Fry for 20 years, 25 years, and my opinion would be he might have done Mr. Fry some favors.

By Mr. GARBER:

Q. What favors?—A. I don't know.

Q. If Mr. Fry says he broke a strike, do you believe that is true?—A. If Mr. Fry said so, yes.

Q. He helped to break a strike, and you believe that is the favor?—A. It might be.

Q. You're sure of it, aren't you?—A. I am not sure of it. I don't know.

Q. What is your best opinion? What is your opinion of what the connection is with Mr. Fry and Sam Perrone? What is your opinion? That's what you are being asked.—A. I think it is friendship.

The COURT. Based on what?

The WITNESS. On long years of acquaintance.

By Mr. GARBER:

Q. How far did Mr. Perrone go through school?—A. I don't know.

Q. Did he ever go to school?—A. I don't know.

Q. Well, would you say from talking to him on these hundreds of occasions, being acquainted with him socially, he is a cultured man?—A. No.

Q. He is not; is he?—A. No.

Q. He is anything else but?—A. No, he is not.

Q. Do you know Mr. Fry?—A. Yes, I met him once.

Q. You have met him more than once, haven't you?—A. No.

Q. What type of a gentleman is Mr. Fry?—A. Just a couple of minutes with him, he looked like a very nice fellow.

Q. Would you say he is a gentleman?—A. Yes.

Q. There is quite a distinction between Mr. Sam Perrone and Mr. Fry; is there not?—A. Yes.

Q. What friendship can you figure out might exist between Mr. Perrone and Mr. Fry?—A. Just a friendship they made over a period of years.

Q. Based on what?—A. I don't know on what.

Q. You will admit what I read to you here was true, out of this report, so far as you are concerned?—A. Which report?

Q. The report I read to you about when you were investigated by the investigators?—A. Yes.

Q. Now, this one on Sam by John A. Fry, president, Detroit-Michigan Stove Works, 6900 East Jefferson, is that right?—A. Yes.

Q. What does he say, "He indorsed this application because he is indebted to Ispano Perrone for helping the company break the strike in 1934." right?—A. Yes.

Q. So there is no question about it, that is what he says he is indebted to them for?—A. Yes.

Q. Now you know that?—A. Yes.

Q. You also know the Perrones?—A. Yes.

Q. Now, what do you think now is the reason that he has this contract for the scrap and other things in the Detroit-Michigan Stove Works?—A. It would be possible he is maintaining order there.

Q. You know that is the reason, don't you?—A. I don't know. This is the first time I saw the statement. I didn't know Fry made a statement like that.

Q. There is a lot of things you don't know. That is why you are getting in trouble.—A. I don't know, I can't guess. All I can go by is according to what he told me.

Q. What did he tell you?—A. He has known John Fry for 20 years, he worked with him when he was an office boy, and he would give him anything.

Q. That's what Sam told you?—A. Yes.

Q. What did your brother tell you?—A. My brother?

Q. Sam's brother.—A. They have known each other a long period of years, and that's why they have the core contract.

The COURT. What is the ratio of Italians working at the Michigan Stove Works as compared to other nationalities?

The WITNESS. I would say the biggest percentage are Italians.

The COURT. Would you say two-thirds?

The WITNESS. I think that would be a fair figure.

The COURT. Who got them in there?

The WITNESS. Sam might have hired them.

By Mr. GAREER:

Q. As a matter of fact Sam did do all of the hiring, right after the strike?—A. He hired my brother-in-law.

Q. Did he hire him on your recommendation?—A. Yes.

Q. You were a friend of Mr. Perrone's sometime before that?—A. Yes.

Q. So you knew you could depend on him?—A. Yes.

The COURT. Sam has the cartage contract?

The WITNESS. Yes.

The COURT. He does the carting for the Michigan Stove Works?

The WITNESS. Yes.

The COURT. He has got the scrap contract?

The WITNESS. Yes.

The COURT. You think he has got the contract with them to make cores?

The WITNESS. I don't know whether he has that or his brother, but I know one of them has it.

The COURT. If that is the case, the men that are making cores work for Sam or his brother?

The WITNESS. Yes.

The COURT. And not for the Michigan Stove Works?

The WITNESS. Yes.

The COURT. And he pays them?

The WITNESS. Yes.

The COURT. Now, we will assume he has the core contract and that those men are working directly under him and paid by him or his brother, and what is the connection where Sam hires people for other parts of the plant, like, for example, he hired your brother-in-law?

The WITNESS. Yes.

The COURT. What is that connection?

The WITNESS. Probably knowing the owners as he does, he could probably get anybody a job down there, and they would make a good worker, or something. I sent my wife's brother-in-law down there a few months ago, a fellow just getting out of the Navy, and I couldn't get him a job there, just a couple of months ago.

The COURT. You see any connection between the contract Perrone has with the Michigan Stove Works for scrap and the contract that Carl Renda, his son-in-law, has with the Briggs Company for scrap?

The WITNESS. It is similar in this respect: Carl Renda is getting all of the scrap out of Briggs just like——

The COURT. I say, do you see any connection in there?

The WITNESS. No, I don't see any connection outside of the fact they are both getting the same kind of material.

The COURT. You came out of the Army a year ago?

The WITNESS. Yes.

The COURT. You made 18 or 19 thousand last year?

The WITNESS. Yes.

The COURT. So you are not so dull and foolish?

The WITNESS. No.

The COURT. There are not very many returned soldiers did that, that you know of?

The WITNESS. Very few.

The COURT. Very, very few of them?

The WITNESS. Yes.

The COURT. I think you are smarter than you really believe. You're not only smart, but you are cute. Carl Renda got the contract for the scrap for Briggs?

The WITNESS. Yes.

The COURT. When he got the contract, he had no equipment?

The WITNESS. That's right.

The COURT. He had no office?

The WITNESS. Yes.

The COURT. He had no money, so far as you know?

The WITNESS. Yes.

The COURT. He had no experience?

The WITNESS. Yes.

The COURT. He was in his twenties?

The WITNESS. Yes.

The COURT. He had no profession?

The WITNESS. No, sir.

The COURT. Recently out of college?

The WITNESS. Yes.

The COURT. He got this contract that was worth a lot of money from Briggs, didn't he?

The WITNESS. That's right.

The COURT. Now, bearing that in mind, and the fact he is the son-in-law of Perrone?

The WITNESS. Yes.

The COURT. Perrone is also an Italian?

The WITNESS. Yes.

The COURT. He is the father-in-law of Carl Renda?

The WITNESS. Yes.

The COURT. They both live in the same house?

The WITNESS. Yes.

The COURT. Different flats?

The WITNESS. Yes.

The COURT. Perrone has got a contract with the Michigan Stove Works for the scrap?

The WITNESS. Yes.

The COURT. For the cartage?

The WITNESS. Yes.

The COURT. For the making of cores?

The WITNESS. Yes.

The COURT. And a certain amount of authority down there as to the hiring of help?

The WITNESS. Yes.

The COURT. And I suppose the firing of it, too?

The WITNESS. Yes.

The COURT. He is an older man, obviously, than Carl? He is his father-in-law?

The WITNESS. Yes.

The COURT. A spread, would you say, of 20 years?

The WITNESS. More than that.

The COURT. Would you see any connection between the Perrones' Michigan Stove Works contract for scrap, and Carl Renda's Briggs contract for scrap?

The WITNESS. There could be a connection, yes.

The COURT. What is it?

The WITNESS. I don't know, Judge.

The COURT. You don't know?

The WITNESS. No.

The COURT. You don't want to know, is that it?

The WITNESS. Judge——

The COURT. You don't want to know, do you?

The WITNESS. Judge——

The COURT. I asked you do you want to know?

The WITNESS. Can I say one word, please?

The COURT. Do you want to know?

The WITNESS. Yes; I want to know because I am in trouble here, and I don't know why. You are asking me about the connection and I am supposed to know. I don't know, I tell you I don't know, and I am telling the honest to God truth, and telling you the only thing I can figure, the only connection is Sam Perrone

knows Mr. Fry and maybe Mr. Fry has an interest or a connection there some place.

The COURT. In your opinion, he has? That is your opinion?

The WITNESS. I don't know what. I know Carl told me he got it through a social connection. If I knew I wouldn't be sitting here making you sore at me. I don't want you to be sore at me.

The COURT. Who said anybody was sore?

The WITNESS. You are sore because you think I am lying. I am not lying. I will swear on the Jewish bible I am not lying. I want to do anything you want me to do. I will talk to Carl. I will talk to anybody. I will try to find out anything you want, but you have to believe me, Judge, I am telling you the truth. I don't know. I will swear on the Jewish bible and by my mother, anything that is holy, that I am telling you the truth.

By Mr. GARBER:

Q. What was the name of that brother-in-law of yours that went to work over here?—A. Sam Rosenthal.

Q. Where is he working now?—A. At Briggs in electrical maintenance.

Q. When did he go over there?—A. About seven years ago.

Q. So he has worked for some time over there?—A. Yes.

Q. He got his original position with the Detroit Stove Works?—A. Yes.

Q. From Perrone?—A. Yes.

Q. Now, what kind of a job does he have at Briggs?—A. Electrical maintenance.

Q. The entire plants?—A. Yes; he goes to all of the plants.

Q. He does electrical maintenance work at all of the plants, the Briggs plants?—A. Yes.

Q. Is he still friendly with Perrone?—A. He knows him, yes.

Q. I said, still friendly with Perrone?—A. Yes.

Q. Does he go out with them socially?—A. No, as far as I know, he does not, as far as his social relationship is concerned.

Q. To be wined and dined?—A. As far as his social relations are concerned I brought him to Renda's house three or four weeks ago, one Sunday, with his wife, which is my sister, and we played gin, the six of us.

Q. So that this Sam, your brother-in-law, now has charge of all the electrical work at the Briggs Manufacturing Company. And now you have introduced him to Renda?—A. Yes.

Q. How long has he known Renda?—A. Oh, he has known Renda about two or three years.

Q. Did he take any part in helping Renda get that contract out there?—A. No.

Q. What union does he belong to?—A. They have a separate union, a mechanic's union, or a maintenance union.

Q. He is not a member of local 212?—A. I don't know the number of the local. Q. CIO or A. F. of L.?—A. I think CIO. They have what they call a maintenance or a mechanic's union, M. S. C., I think.

Q. Isn't it M. S. A.?—A. M. E. S. A., yes.

Q. Mechanical Engineers Society of America?—A. Yes.

Q. He belongs to that?—A. Yes.

Q. Does he go through all of the plants? Does he have anything to do with the stewards out there?—A. No.

Q. Did you ever help Renda get any cigarettes?—A. No.

Q. You are good at getting tickets to the baseball games, football, transportation, hockey games, and such like?—A. Yes.

Q. When cigarettes were hard to get, did you get Renda a large quantity of cigarettes?—A. No, never.

Q. Did you ever know of Renda going out there and passing cigarettes out to the stewards in the Briggs plant?—A. Yes.

Q. Did he do that?—A. Yes.

Q. Where did he get the cigarettes?—A. I don't know.

Q. How did he take them over there?—A. He had a carton of cigarettes.

Q. A carton, a big carton?—A. One of those cartons that holds 10 packs.

Q. How many of those did he have?—A. I was riding in the car with him, and I said, "How come you got a carfull of cigarettes," and he said, "they've got a cigarette machine in the gas station," and he told me they weren't selling them out of there any more, so he passes out a few packs of cigarettes to some of the men at Briggs.

Q. Some of the stewards?—A. I don't know whether stewards or shipping men there, because he had mostly to do with the shipping clerks.

Q. You don't know of any incident at all, when he went over there with a large quantity of cigarettes and passed them out?—A. No.

Q. You have seen him when he had a carton of cigarettes to pass out?—A. Yes.

Q. You're sure it was the shipping men, not the stewards in the plant?—A. I wouldn't know for sure whether the shipping men or stewards. I know once we parked the car there, and he asked the guard to watch the car, and he give him a package of cigarettes.

Q. Were you ever with him when he backed up at the plant and opened up the trunk of the car and had a large quantity of cigarettes in the back?—A. No; I was not.

Q. All of these times you have been over to the Perrone's, haven't you ever heard Sam talk as to how business was going, any labor troubles or anything of that kind?—A. No.

Q. Did you ever hear anything of that kind discussed over there?—A. No; but I can tell you what I heard discussed. Renda discussed that business was slowing up because they weren't getting steel, and Perrone discussed that business was slowing up too because they weren't getting steel and certain other items.

Q. Did you ever hear them express their opinion on unions?—A. No, sir; the only thing I heard, absolutely, was Perrone told me they never had any trouble at the Detroit-Michigan Stove Works, the plant was working steadily.

Q. Do they have a union there?—A. I think they have a union at the plant.

Q. A company union?—A. Yes.

Q. He did make a statement that they hadn't had any trouble over there?—A. Yes.

Q. Did he say why?—A. He said they were working steadily.

Q. Did he say any other reason why they hadn't had any union trouble over there?—A. No; he didn't express any reason why, that I know of. He said they never had trouble there, and they are working steadily.

Q. Did he ever talk about that strike in 1934?—A. No.

Q. When did he make that statement they were all working steadily and they didn't have anything but a company union or something?—A. Oh, I don't remember.

Q. Was it on more than one occasion?—A. On a couple of occasions I asked him how business is.

Q. You think there is any connection between the Renda contract and the beating of certain union agitators in the Briggs Manufacturing Company plant?—A. I wouldn't know.

Q. What would you think?—A. I don't think so.

Q. You don't think so?—A. No.

Q. You don't think that had anything to do with Renda?—A. No, sir.

Q. I insulted you the other day when I said Carl Renda was king of the wops?—A. You didn't insult me.

Q. You said you knew nice people, you didn't go around with people of that caliber, and so on.—A. That's right.

Q. Have you ever heard Carl Renda called king of the wops?—A. No.

Q. Except when I did it?—A. That's all.

Q. Have you ever heard Sam Perrone called that?—A. No.

Q. Have you ever heard him called leader or a big man among the Italian faction in the city of Detroit?—A. I have heard him called a leader in the core-makers' union.

Q. What do you mean by that?—A. That is a union composed of men who make up cores.

The COURT. Is there a coremakers' union?

The WITNESS. Yes, I think there is. I think he is a member of the core-makers' union.

Mr. GABER. You mean at the plant?

The WITNESS. No; they have a coremakers' union.

The COURT. You mean that is just one ramification in the Michigan Stove Works, it has other sections or unions somewhere else?

The WITNESS. No; I think the coremakers' union is a union by itself.

The COURT. Confined to that particular plant?

The WITNESS. No; it is all over the United States.

By Mr. GABER:

Q. Ever known Mr. Perrone to go to Battle Creek when there was a strike on at the stove works in Battle Creek?—A. No.



Q. Did you ever know he was hired up there as a strikebreaker?—A. No.

Q. Never heard of that?—A. No.

Q. Did he ever take any trips, he and his brother, go away a few weeks and leave his work here at the Michigan Stove Works?—A. No.

Q. When is the last time you knew he went out of town?—A. When he went hunting.

Q. That was last month?—A. Yes.

The COURT. Who did he go with?

The WITNESS. With Carl Renda, and he asked me to go, and I couldn't get away.

By Mr. GARBET:

Q. Who else went?—A. I think his brother-in-law, Pete.

Q. Pete who?—A. I don't know his last name.

Q. What do you mean, you don't know his last name?—A. I don't know his last name.

Q. Who else was up there?—A. I don't know.

Q. What police officers were up there?—A. I don't know, sir. I wasn't there, I don't know.

Q. What is his brother-in-law's, Pete's, last name?—A. I don't know.

Q. Where does he live?—A. He lives in Detroit.

Q. Where?—A. I don't know.

Q. Where does he work?—A. He works at the Michigan Stove Works.

The COURT. What does he do?

The WITNESS. I don't know whether he works on a punch press or what.

The COURT. How old is he?

The WITNESS. About 50. He is Ida's brother.

The COURT. Who is Ida?

The WITNESS. Ida is Sam's wife.

The COURT. Where does this Pete live?

The WITNESS. In Detroit.

The COURT. Oh, Detroit, "I will meet you in New York."

The WITNESS. I have never been to his home; I don't know whether he lives on McDougall or Townsend.

By Mr. GARBET:

Q. Does he live in that house he owns on Townsend?—A. I think he would live there, but I don't know.

Q. You said Sam owns a house on Townsend?—A. Yes.

Q. Is that where Pete lives?—A. I think he might live there. I don't know; I was never invited to his house.

Q. He has a family?—A. Yes; wife and boy.

Q. He is a big man, is he?—A. About your size.

Q. Five foot nine or ten?—A. About.

Q. Weigh around 200?—A. No.

Q. How much will he weigh?—A. Maybe about 165.

Q. Do you know any of Perrone's friends, about five foot nine and weighing about 200 pounds?—A. No, sir.

Q. Do you know one, maybe, a couple of inches shorter than that, a husky built man?—A. No.

Q. A relative of Perrone?—A. No.

Q. Would you know Pete, the brother-in-law, if you saw him?—A. Yes.

Q. Would you know Pete's picture, if you saw it?—A. Yes.

Q. Is Pete's picture in that group?—A. This is Casper.

Q. Do you know that fellow?—A. No, sir.

Q. Don't know him?—A. No, sir.

Q. Does he work at the Michigan Stove Works?—A. I have never seen him.

Q. Who is that?—A. I don't know who he is, never seen him before.

Q. All right.—A. This is Sam and Ida. I think this is Casper's wife. I am not sure.

Q. You don't know any of those?—A. No.

Q. Do you know any of those fellows?—A. No, sir; never saw them.

Q. Do you know any of those fellows?—A. No, sir; never saw them.

Q. Do you know this fellow?—A. No, sir.

Q. Sure?—A. Yes, sir.

Q. You think Pete lives on Townsend?—A. Yes.

Q. Near where, what number?—A. I don't know, sir.

Q. Where is his house on Townsend?—A. I never seen it.

Q. You know he does own a house there?—A. Yes, I have heard him speak about it.

Q. Who lives in the old house where you used to go to see him?—A. On McDougall?

Q. Yes.—A. I don't know.

Q. Does he still own that?—A. I don't know whether he owns it or Casper.

Q. Who lives there?—A. I don't know.

Q. Any of his relatives live there?—A. I don't know, Mr. Garber, I don't know.

Q. How many relatives does he have around Detroit?—A. I know Pete, I know Casper and Carl. I suppose he has quite a few relatives, but who they all are, I don't know.

Q. What section of Italy did they come from?—A. Palermo.

Q. Are they all from there?—A. I don't know.

The COURT. Palermo, that is in Sicily?

The WITNESS. I don't know whether it is in Sicily or Italy proper, Judge.

The COURT. Of all of this work you have done, you have never received a cent?

The WITNESS. No.

The COURT. You are the one who incorporated the Carl Renda Corporation, drew the partnership papers?

The WITNESS. Yes.

The COURT. You went over and filed under the assumed name?

The WITNESS. I didn't file it.

The COURT. You prepared it for them?

The WITNESS. Yes.

The COURT. They took it over and filed it?

The WITNESS. Yes.

The COURT. What else have you done for them along that line?

The WITNESS. I prepared those agreements and I gave them advice on the different types of waste material.

The COURT. What have you ever done for Sam Perrone?

The WITNESS. Outside of loaning him \$1,000 to buy the gas station, I haven't done anything else for him. He has never called on me.

The COURT. Ever send any of his friends down for advice?

The WITNESS. No.

The COURT. Do you know of any lawyer that had anything to do with the obtaining of the contract for Carl Renda from Briggs or having anything to do with the negotiations of the contract during that time it was under consideration, and drawing the papers and signing them?

The WITNESS. Judge, I think Mr. Renda told me that the Briggs lawyers looked over the contract.

The COURT. Outside of the Briggs lawyers, you are the only man—you are the only lawyer?

The WITNESS. No.

The COURT. You thought it was a pretty good idea to get three years of law, did you?

The WITNESS. Yes.

The COURT. You did get three years of law?

The WITNESS. Yes.

The COURT. You are not practicing?

The WITNESS. No.

The COURT. You never did take a bar examination?

The WITNESS. No, sir.

The COURT. Why didn't you?

The WITNESS. I was short two subjects, completing my course.

Mr. GARBER. What were they?

The WITNESS. Real property was one.

The COURT. I hate to say it, Mister, but that was one of my specialties. This is off the record.

(Discussion off the record.)

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, December 5th, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: G. L. McGuire, Reporter.

3:25 p. m.

CHARLES MARTIN, having been previously duly sworn, was recalled, examined, and testified further as follows:

The COURT. Mr. Martin, you have been recalled?

The WITNESS. Yes, sir.

The COURT. To give further testimony before the Grand Jury?

The WITNESS. Yes.

The COURT. You were here yesterday?

The WITNESS. Yes.

The COURT. And you spent last night here at the office?

The WITNESS. Yes.

The COURT. Used all right?

The WITNESS. Yes.

The COURT. Nobody hurt you?

The WITNESS. No.

The COURT. Nobody hurt you?

The WITNESS. No; they even offered to call me a doctor.

The COURT. You had a cold, and they offered to call you a doctor?

The WITNESS. Yes.

The COURT. You didn't care for it?

The WITNESS. No.

The COURT. You understand me?

The WITNESS. Yes.

The COURT. Nobody has threatened you?

The WITNESS. No.

Mr. GARBER. You haven't been hurt or injured?

The WITNESS. No; everybody treated me like a gentleman.

Mr. GARBER. All the way down the line?

The WITNESS. Yes.

The COURT. At this stage of the proceeding you are not under suspicion before this Grand Jury.

The WITNESS. Yes.

The COURT. We are trying to investigate the commission of crimes in Wayne County.

The WITNESS. Yes.

The COURT. And find out who committed them?

The WITNESS. Yes.

The COURT. Whether assault and battery, murder, or just simon-pure labor rackets?

The WITNESS. Yes.

The COURT. Whether the labor men, the laboring man or racketeers or businessmen are involved?

The WITNESS. Yes.

The COURT. That is our object?

The WITNESS. Yes.

The COURT. That is our intention?

The WITNESS. Yes.

The COURT. All right, go ahead.

Examination by Mr. GARBER:

Q. Well, now, I understand you went over to your office this morning; is that right?—A. Yes.

Q. And you made investigation as to when you prepared Grand Jury Exhibit 1?—A. Yes, sir.

Q. Is that correct?—A. Yes.

Q. I will show you Grand Jury Exhibit 1.—A. Yes.

Q. Were you able to check up as to when that particular exhibit was prepared?—A. Yes.

Q. And from whom did you obtain this knowledge, as to when Grand Jury exhibit 1 was prepared?—A. From the public stenographer at the Statler Hotel.

Q. You recall her name?—A. Her name is right on the exhibit.

Q. No, not the exhibit. That is not the exhibit. The name is on our office copy of this Exhibit 1.—A. Yes.

Q. This is the original one?—A. Is this the same as this, Mr. Garber?

Q. Will you check it?—A. Yes; this is the same thing.

Q. That is the office copy you are referring to?—A. Yes.

Q. On the face of that appears the name of Pauline Williams dated March 3, 1946.—A. Yes.

Q. She is the public stenographer at the Statler Hotel?—A. Yes.

Q. And she is the one to whom this Grand Jury Exhibit 1 was dictated?—A. No. The original contract was dictated on a Saturday, I believe, which is March second, Mr. Garber.

Q. Yes.—A. And it was dictated to a girl named Grace in the New Center Secretarial Building.

Q. What is her last name?—A. Brancione, Grace is her first name. I asked her if she would have a record of the date, or if she would have her shorthand notes on it, and she told me when they filled up a notebook they threw it away. They don't keep those records, but she did tell me this: You see I had dictated it in the rough, as a draft, and they had looked it over and so I recall I did look it over on Saturday, which I believe is March 2d, and I took it to the Statler to be typed with all of the corrections noted on it, and we went over to the Statler this morning.

Q. You say, "we." You are talking about Officer DeLameilleure.—A. Yes; Officer DeLameilleure and myself, and we asked the stenographer there if she could check the date as to when an agreement was prepared for Carl Renda, and she looked at her books and she saw where she had charged Carl Renda \$6 on March 3d. She didn't have this agreement, but this was the only agreement taken to the Statler Hotel.

Q. That is March 3d, 1946?—A. Yes.

The COURT. Is that marked as an exhibit?

Mr. GARBER. I think I will mark that as an exhibit.

(Thereupon, a document was marked Grand Jury Exhibit 4 by the Reporter.)

By Mr. GARBER:

Q. I will show you Grand Jury's exhibit 4 and ask you if you can identify that?—A. This is the purchase agreement from the Carl Renda Company to the Briggs Manufacturing Company.

Q. That is a copy?—A. Yes.

Q. An unsigned copy you have had in your file since you prepared the original?—A. That's right.

The COURT. Now, right there?

The WITNESS. Yes.

The COURT. Why was this contract dictated over in the Statler Hotel and written up on Sunday?

The WITNESS. It was dictated at the Statler, Judge, your Honor—that is, it wasn't dictated there, but it was dictated in my office Saturday afternoon and later rewritten over there.

The COURT. Why wait until Saturday afternoon? Most people are closed down for the week.

The WITNESS. I didn't have time to dictate it before that.

The COURT. But this man here, Renda, was in contact with lawyers—there were plenty of lawyers he could get.

The WITNESS. Oh, yes.

The COURT. All right, go ahead.

By Mr. GARBER:

Q. When did you see or hear Mr. Renda had the signed contract? How long after the date of March 3rd?—A. I think it would be 30 or 60 days, Mr. Garber, he told me he had the contract signed.

Q. Well, as Grand Jury exhibit 1 shows, it was filed on April 26, 1946. That would be thirty days or better?—A. Yes.

Q. Then did Mr. Renda bring the contract back to you and show you it had been signed?—A. No.

Q. But he did tell you it had been signed?—A. Yes.

The COURT. You are talking about April and March of 1946?

The WITNESS. Yes.

The COURT. As a matter of fact, Renda and you were in the Briggs plant talking to at least Cleary as early as March 1945, before that time?

The WITNESS. Yes.

The COURT. And he had been getting that scrap ever since March or at least the 1st of April 1945?

The WITNESS. Yes.

The COURT. Yet he had no signed contract till one year later.

The WITNESS. That's right.

Mr. GARBER. You had prepared an earlier contract which is not signed, to your knowledge; is that true?

The WITNESS. Yes. I think it is in that list there.

The COURT. In other words, that contract was only signed a few months before Mr. Cleary died.

The WITNESS. I believe so, yes.

By Mr. GARBER:

Q. Where is the original contract that was drafted?—A. Here is one dated June 15th.

(Thereupon, a document was marked "Grand Jury's Exhibit 5," by the Reporter.)

By Mr. GARBER:

Q. I will show you Grand Jury's exhibit 5 and ask you if you can identify that?—A. This is an agreement that was made, a purchasing agreement between the Carl Renda Company and the Briggs Body Company.

Q. When was that dated?—A. Dated June 15, 1945.

Q. Do you know whether that agreement was ever signed?—A. I don't think it was ever signed, Mr. Garber.

Q. Do you know whether the Carl Renda Company, when they first obtained the scrap material from the Briggs Company?—A. It was previous to this agreement.

Q. Previous to June 15, 1945?—A. Yes.

Q. Or approximately a year had elapsed before Grand Jury Exhibit 1 was signed and entered into?—A. Yes.

Q. But they were receiving the scrap, hauling it out before that?—A. Yes.

Q. And you had entered into other contracts previous to this draft of this exhibit 1 with other companies to obtain that material, such as Woodmere and Continental?—A. Yes.

Q. Those contracts were in existence?—A. Yes.

Q. Do you have those contracts here?—A. I believe so.

The COURT. Let me say just one thing.

The WITNESS. Yes.

The COURT. The Carl Renda Company was buying and receiving scrap from the Briggs Company?

The WITNESS. Yes.

The COURT. Since March 1945?

The WITNESS. Yes.

The COURT. For one year before the Carl Renda Company got a written contract from Briggs?

The WITNESS. Yes; that's right.

The COURT. But in spite of that fact—

The WITNESS. Yes.

The COURT. In spite of the fact Renda didn't have a contract in writing, signed by Briggs for that whole year, he, Renda, had already entered into contracts in writing with the Continental and Woodmere?

The WITNESS. May I clarify that, Judge? The contract he had got was for a quarter of a year.

The COURT. Even so, assuming the contract with Renda was running for three months, a quarter——

The WITNESS. Yes.

The COURT. Still he didn't have anything in writing until a year had elapsed?

The WITNESS. That's correct.

The COURT. But, in spite of the fact he had nothing in writing from Briggs, he had something in writing from Woodmere.

The WITNESS. Yes.

The COURT. And with Continental?

The WITNESS. Yes.

The COURT. In other words, he had a written contract with Woodmere and Continental, and the only thing he could base it on was an oral contract he had with Briggs for three months' periods.

The WITNESS. But I believe at that time he was bidding on material, and if you are the highest bidder they award you their material for ninety days.

The COURT. I will show you they didn't bid on it.

The WITNESS. I don't know, judge.

The COURT. At any rate, he had nothing in writing?

The WITNESS. No.

By Mr. GARBER:

Q. Between Briggs and himself, but he did have in writing between Woodmere and Continental and the Waste Paper Products, the Monroe Waste Paper Products, a contract?—A. Yes.

Q. And he handled the material, making himself a nice profit even though he didn't have a final written contract, which is Grand Jury exhibit 1?—A. Yes. Q. So he did business from approximately April 1st, 1945, until April 1946 with written contracts between his subcontractors, although he himself didn't have a written contract between Briggs and himself.—A. That's correct.

Q. And you drafted those contracts with the Woodmere?—A. Yes.

Q. And with the Continental?—A. Yes.

Q. And with the Monroe Paper Company?—A. There is no contract with the Monroe Paper Company.

Q. Do you have those contracts here you had entered into or drafted rather, for Mr. Renda, of the Carl Renda Company, and Continental and Woodmere Scrap?—A. May I look at that?

Q. Yes.—A. Mr. Garber, there is a contract dated April 10th that I made up between the Continental Metals and Carl Renda Company.

Q. That is April 10th?—A. Yes.

Q. Have you one previous to that?—A. I don't think I have one previous to that, but I am quite sure there were previous contracts.

Q. Can you check to see, among your belongings out there, if you have an earlier contract?—A. Yes.

Q. Will you do that?—A. Yes. What I did today, Mr. Garber, I told the stenographer to give me a list of all the dictation from 1945 up to the present time that was charged to Carl Renda. That list is being prepared and promised for not later than Saturday.

Q. You're sure there were previous contracts, similar to this one in existence back in 1945?—A. Yes, I am quite sure about that.

Q. Weren't those the contracts you went up and negotiated when Sam Perrone went along with you back in April or May?—A. These are in 1946.

Q. April and May 1945. Isn't that when you went up there with Sam Perrone and negotiated those contracts?—A. Yes.

Q. They were written contracts?—A. Yes.

Q. That was before Grand Jury Exhibit 1 was entered into between Briggs and the Renda Company?—A. Yes.

Q. At that time he had nothing in writing, to your knowledge?—A. Yes.

Q. But nevertheless he did, in company with yourself and Sam Perrone, go up there and enter into a written contract with Continental and Woodmere?—A. Yes.

Q. You're sure of that?—A. Yes.

The COURT. You have already testified here as to what those contract prices were and the estimated differential in favor of Renda?

The WITNESS. Yes; I could determine it exactly if I looked at that.

The COURT. All right, tell us.

By Mr. GARBER:

Q. Suppose you examine these later contracts and see what the differential is.—A. For the borings and turnings, his purchase price was \$3.50 a ton, and his sale price to the Woodmere was \$6 per ton, which would make a difference of \$2.50.

The COURT. What metal is that?

The WITNESS. Ferrous metals; that is scrap iron.

The COURT. How many tons in a normal month?

The WITNESS. That is one of the items, your Honor—this is a very small item. That is the shavings that come off steel to make screws. They call it borings and turnings, and that is \$2.50 per ton there.

By Mr. GARBER:

Q. That he made on that deal?—A. Yes. The big items are the loose sheet clips; that is the clips; that is the oval from the sheets of steel when they punch out certain parts of the body. He is selling that for \$10 a ton and paying for that \$7.50.

Q. Making \$2.50 a ton on that?—A. Yes. The miscellaneous scrap iron which would consist of practically every grade of scrap iron he sold that for \$10 per ton, and he paid seven.

Q. Which would make \$3 a ton?—A. Yes. For the painted and galvanized scrap iron he sold it for \$4 a ton, and he paid \$1.50, which would make a difference of \$2.50. For the heavy melting steel, he sold it for \$13 and he paid \$10.50, making a difference of \$2.50 a ton there. For industrial steel he sold it for thirteen and he paid \$10.50, which would make a difference of \$2.50. For the cast iron he sold it for \$13 and he paid \$10.50, which would make a difference of \$2.50 per ton there.

Q. How about borings and turnings?—A. That is the one right there, Mr. Garber.

Q. I see.—A. Right here it has been checked off. Iron grindings—there was nothing in here about iron grindings.

Q. Here it says grindings?—A. Yes; \$3.50, paid 50 cents.

Q. So he made \$3 a ton on that item?—A. Yes.

Q. Is that a big item?—A. No; that is about half a ton or a ton a month.

Q. What about factory busheling, this item here?—A. That is \$11.50 to \$9.

Q. So he made \$2.50 a ton on that.—A. Yes; this item here, this bundle sheet steel clips is the item Briggs is selling direct to the mill.

Q. That is going back to their supplier.—A. Yes.

Q. He is not getting that.—A. No.

Q. The deal you just told us about, you call that ferrous metals?—A. Yes.

Q. And they went to the Woodmere Scrap Iron?—A. Yes.

Q. Let's see the nonferrous metals.—A. All right.

Q. Do you have any idea how many tons a month of the ferrous metals would be sold?—A. Yes; I think that would run anywhere in the neighborhood of 1,000 tons up to 2,000 tons. He did tell me one time he handled 1,200 tons of scrap iron one month.

Q. So, on the basis of \$2.50 an average on 2,000 tons, it would be \$5,000 for one month. A. Yes.

Q. That would be his override?—A. Yes. That is on ferrous metals.

Q. All right; let's see what we have on the nonferrous ones. Now, that comparison was made as of the date of July 26th 1946; is that right?—A. Yes. This date would be—

MR. GARBER. Let's mark that as an exhibit, Grand Jury Exhibit 6.

(Thereupon a document was marked "Grand Jury Exhibit 6" by the Reporter.)

By Mr. GARBER:

Q. And it is a comparison of Grand Jury Exhibit 6 with Grand Jury Exhibit 1?—A. Yes, sir.

Q. Is that right?—A. Yes.

Q. Now, you are comparing this with the Continental Metal Company up on Russell Street?—A. Yes.

Q. Under date of April 10, 1946?—A. Yes.

Q. With Grand Jury Exhibit 1?—A. Yes.

Q. On the aluminum?—A. Yes, aluminum clips, scrap, clean, his selling price to the Continental Metals was 3 cents per pound, and the purchase price was two and three quarters, making \$5 a ton.

Q. And that you have no idea of the volume on that?—A. No, Mr. Garber; but I might explain this: In normal operation of an automobile-body plant they do not use aluminum. Briggs was making airplane wings, which was made out of aluminum, and it was quite a heavy item during the war, but this might have been some contracts that were probably just finishing up, and I don't think all of the material together would run over 50 or 75 tons.

Q. But there is a \$5 a ton differential in the aluminum-clips scrap?—A. Yes.

Q. What is next?—A. Aluminum-clips scrap mixed. His selling price was \$2.25 per hundred, as against a purchase price of 2 cents per pound, making a difference of a quarter of a cent a pound, or \$5 a ton there. On the aluminum castings clean scrap, his selling price to the Continental was 4 cents per pound, as against three and half cents per pound purchase price, so he has half a cent per pound there, or \$10 a ton. On the aluminum castings mixed scrap, his selling price to the Continental Metals was two and three-quarter cents a pound as against a purchase price of two and a half, making a difference of a quarter cent a pound, or \$5 per ton. On the aluminum borings, clean scrap, dry, his selling price was two and a quarter cents a pound to the Continental Metals as against a purchase price of two cents per pound, making a difference of a quarter of a cent a pound, or \$5 a ton. On aluminum borings, mixed scrap, dry, his sale price was one and a half cent per pound as against a purchase price of one and a quarter per pound, a difference of one-quarter of a cent a pound, or \$5 a ton. Wrecked aircraft material, his sale price was one and a quarter cent per pound as against a purchase price of one and a quarter, denoting no difference.

Q. He sold that at the same price he bought it?—A. Yes.

Q. But all of this had to be hauled by Continental?—A. Yes.

The COURT. In other words, there was no overhead at all to him?

The WITNESS. No.

The COURT. All he had to do on that item was to swap checks?

The WITNESS. Yes.

The COURT. Do you know of any other kind of business that is more simple than that?

The WITNESS. No, sir.

Mr. GARBER. I would like to have him continue on through here, and then I want to question him a little further.

The COURT. Go ahead.

By Mr. GARBER:

Q. We will have these marked as exhibits also later, when we have finished, just so we will know what we are comparing. Will you proceed with the next item?—A. On the brass castings clean scrap, his sale price to Continental Metals was six cents per pound as compared against a purchase price of five and a half cents per pound, making a difference of half a cent a pound or \$10 a ton. On brass castings mixed scrap his sale price to Continental Metals was four and a quarter cents per pound, as against a purchase price of \$3.82½ per hundred, which would make a difference of 42½ cents per hundred, or \$8.50 per ton.

Q. All right, proceed.—A. On brass borings mixed scrap, his sale price to the Continental Metals was four and a quarter cents per pound as against a purchase price of \$3.82½ cents per hundred, which would make a difference of 42½ cents per hundred or \$7.50 per ton. On the copper clean scrap, his sale price to Continental Metals was eight and three-quarters cents per pound, as against a purchase price of eight and a half cents per pound, or a quarter of a cent or \$5 a ton difference. On the copper mixed scrap, his sale price to the Continental Metals was four and a half cents per pound. That is copper mixed scrap, four and a half cents per pound, as against a purchase price of four cents per pound, making a difference of half a cent a pound, or \$10 per ton.

On copper borings mixed scrap his sale price to the Continental Metals was five cents a pound, as against a purchase price on copper borings mixed scrap of four cents a pound, making a difference of one cent a pound or \$20 a ton.

Q. He made \$20 a ton on that?—A. Yes. I might say, Mr. Garber—

The COURT. When you get out of here, I want you to figure out all of these figures for us.

The WITNESS. Yes.

The COURT. And give us a total amount as to what this contract is worth, on the differential.

The WITNESS. May I ask you something, Judge?

The COURT. Yes.



The WITNESS. It is going to be a little difficult unless I can secure some figures as to how much material is sold.

Mr. GARBER. We will get that.

The WITNESS. Then I can figure it approximately.

The COURT. You have the prices what he buys for?

The WITNESS. Yes.

The COURT. And what he sells for?

The WITNESS. Yes.

The COURT. And we will get you the figures of what he takes out.

The WITNESS. Then I can figure that out, Judge.

The COURT. All right, proceed.

The WITNESS. On copper wire insulated scrap his sale price to the Continental Metals was four cents per pound, as against a purchase price of three and three-quarters cents per pound, making a difference of a quarter a cent a pound, or \$5 per ton. On copper wire rubber covered scrap his sale price to the Continental Metals was two cents per pound, as against a purchase price of two cents per pound, which was no profit.

Q. He gets generous every once in a while.—A. I might tell you something. These items, where there is no profit, I have done the same thing in business myself. It probably represents only one or two percent of the whole lot, and it is considered good business to do it occasionally.

Q. In other words, it is customary in the business to give a little break on an item once in a while.—A. Give it to them for exactly what you are getting it for. On the scrap lead clean, his sale price to Continental Metals was five cents per pound, as against a purchase price of \$4.75 per hundred, making a difference of a quarter of a cent a pound or five dollars per ton. On scrap lead mixed, his sale price to Continental Metals was four and a half cents per pound as against a purchase price of four cents a pound, making a difference of a quarter of a cent a pound or five dollars per ton.

On the stainless steel scrap loose, his sale price to Continental Metals was one cent a pound as against a purchase price of three-quarters of a cent a pound, making a difference of a quarter of a cent a pound or five dollars per ton.

On stainless steel baled, his sale price was one and three-quarter cents a pound as against a purchase price of one and a half cents a pound, making a difference of a quarter of a cent a pound or five dollars per ton.

On stainless steel scrap mixed, his sale price was three quarters of a cent a pound as against a purchase price of one-half of a cent a pound, making a difference of a quarter of a cent a pound or five dollars per ton on that.

On zinc clips, clean scrap, his sale price was six and a half cents per pound, as against a purchase price of six and a quarter cents per pound, making a difference of a quarter of a cent a pound, or five dollars per ton.

On the zinc clips mixed scrap, his sale price to the Continental Metals was four and a quarter cents per pound, as against a purchase price of four cents a pound, making a difference of a quarter of a cent a pound or five dollars a ton.

On kirkite mixed scrap, his sale price was two cents a pound, as against a purchase price of two cents a pound, showing no profit.

On the rustless steel scrap, his sale price to Continental was three-quarter cent a pound, as against a purchase price of half a cent a pound, making a difference of a quarter of a cent a pound, or five dollars a ton.

All right, shall we continue with the waste paper?

Q. Yes, let's go on through it. If you have the figures there.—A. I know how much he is getting for the waste paper, because that was a ceiling price.

Q. Now, this you have just compared is of April 10, 1946, for the Continental Metals?—A. Yes.

(Thereupon, a document was marked "Grand Jury Exhibit 7" by the Reporter.)

By Mr. GARBER:

Q. Now, the comparisons you have just made on the record is a comparison of the sales price of the Carl Renda Company as shown by Grand Jury Exhibit 7 as against the cost price Grand Jury Exhibit 1; is that correct?—A. Yes.

Q. And the amount per ton is the difference obtained by the Carl Renda Company over his cost, and the Continental Metals handled the scrap, so that there was no expense in the handling by the Carl Renda Company?—A. That's right; they took delivery of the merchandise in their own trucks.

Q. They took delivery in their own trucks, did all of their hauling, everything else?—A. Yes.

Q. So that the money that was received would be the net profit, in effect?—

A. Yes, less bookkeeping.

Q. And expenses only?—A. Yes. Do you want me to continue?

Q. Yes, continue as to the waste paper, although you do not have a copy of the sale price of the waste paper, but you are acquainted with it?—A. Yes. With reference to the waste paper, the Carl Renda Company purchased from Briggs Manufacturing Company, he paid \$19 per ton for the baled mixed paper, plus \$1 per ton carloading, and he sold the mixed paper to the Auglaize Box Board Company at St. Mary's, Ohio, the Consolidated Paper Company at Monroe, Michigan, and the Monroe Paper Products Company at Monroe, Michigan, for \$19 per ton, plus \$1 per ton carloading, plus four percent brokerage, which would show him a net profit of 76 cents per ton. For the corrugated paper bales, Carl Renda Company paid the Briggs Manufacturing Company \$28 per ton plus \$1 per ton carloading, and he sold the corrugated paper to the above-mentioned mills for \$28 per ton, plus \$1 per ton carloading, plus five percent brokerage, which will show a net profit to him of \$1.49 per ton.

The COURT. When he sold these various paper concerns, that is, f. o. b. Detroit?

The WITNESS. F. o. b. shipping point.

The COURT. Wherever the cars were loaded?

The WITNESS. Yes.

The COURT. In other words, his profit is the brokerage?

The WITNESS. Yes: four percent and five percent.

The COURT. And he hasn't anything to do with the handling?

The WITNESS. No: just billing out the cars.

The COURT. Because Briggs is loading them?

The WITNESS. Yes.

The COURT. At a dollar a ton?

The WITNESS. A dollar per ton for carloading. For the Kraft Paper baled, the Carl Renda Company paid the Briggs Manufacturing Company \$35 per ton, plus \$1 a ton carloading, and he sold the Kraft Paper baled to the above mills at \$35 per ton plus \$1 per ton carloading, plus five and a half percent brokerage, which would make a net profit of \$1.92½ cents per ton.

For the shredded blueprint paper—no, leave that out. Shredded mixed paper, the Carl Renda Company paid \$19 per ton, plus \$1 per ton carloading, which he sold to the above mills at \$19 per ton, plus \$1 per ton carloading, plus 4% brokerage, which would make a net profit of 76 cents per ton. That's all of the waste paper.

By Mr. GARBER:

Q. Are there any other items in there you are acquainted with, or you have records to show approximately what they are receiving?—A. Yes.

Q. All right, give us those items.—A. All right, sir. There is one item here this number 2 roofing for which he paid \$24 per ton and he hasn't sold that yet. It is still in his yard. The reason for that it is oily rags and he hasn't been able to find a mill yet that wants to buy it. It would be, I would judge, 40 or 50 tons of that.

Q. What would his profit be per ton?—A. You see the ceiling price was \$29 per ton. If he could get a mill to buy it, he would make a profit of \$5 per ton, but he hasn't sold it yet.

Q. I see.—A. That I know.

Q. All right.—A. Now, this item is the old cotton rags, bagging and scrap laundry rags. For the scrap dirty rags, the Carl Renda Company paid the Briggs Company \$25 per ton, which he sold to the Midwest Waste Materials at \$32 per ton, making a profit of \$7 per ton. If I remember correctly, Mr. Garber, on this particular merchandise, old cotton rags, bagging and scrap laundry rags, burlap bags, he delivered this with the City Messenger Trucking Company, trucks for which he charged the Midwest Company the actual price he had to pay.

Q. So, in addition to that he received the trucking company's services?—A. Yes.

Q. So that his net would be \$7 per ton?—A. Yes. These particular items were not taken out by Midwest. He delivered them. For the burlap clean bagging the Carl Renda Company paid the Briggs Manufacturing Company \$28 per ton, which was sold to the Midwest Material Company at \$33 per ton, making a net profit of \$5 per ton. I am in error on that last one. For the burlap clean bagging the Carl Renda Company paid the Briggs Manufacturing Company \$28 per ton, which was sold to the Midwest Waste Material Company at \$50 per ton, making a net of \$22 per ton.

Q. \$22 per ton?—A. Yes; or \$1.10 per hundred for the burlap bagging, wet and oily, the Carl Renda Company paid the Briggs Manufacturing Company \$18 per ton, which was sold to the Midwest Material Company at \$33 per ton, making a difference of \$15 per ton. For the washed laundry strings the Carl Renda Company paid the Briggs Manufacturing Company \$18 per ton, which was sold to the Midwest Material Company at \$33 per ton, which would make a difference of \$15 per ton.

Q. Now, you checked those figures against a letter dated April 15, 1946?—A. I am not through yet.

Q. Oh, I am sorry. I thought you were through.—A. This is the last one. For the mixed automobile trim specified in the contract as No. 2 roofing, the Carl Renda Company paid to the Briggs Manufacturing Company \$24 per ton and sold this material to the Midwest Material Company, Midwest Waste Material Company at \$40 per ton, making a difference of \$16 per ton. That covers that.

Q. Now, you made the comparison between a letter dated April 15, 1946, a sales order to the Midwest Waste Material Company?—A. Yes.

Q. Located at 1947 West Kirby Street, Detroit?—A. Yes.

Mr. GARNER. Will you mark that an exhibit, please?

The COURT. Renda didn't know anything about bidding—he didn't know as much about bidding for scrap as you would?

The WITNESS. No.

The COURT. You gave him the figures how to pay for it? When he was buying some stuff at a cent and a quarter a pound, say, how did he know how to pay or what to pay for it? In other words, who did he get the figures from?

The WITNESS. The figures for the materials he got from the companies he was doing business with, because he didn't know the value of them.

The COURT. In other words, they wanted to do business with him?

The WITNESS. Yes.

The COURT. They knew what they could afford to pay?

The WITNESS. Yes.

The COURT. And so they informed him what they could afford to pay?

The WITNESS. Yes.

The COURT. So he had to get the stuff at a lesser figure?

The WITNESS. Yes.

The COURT. And allow himself leeway for a profit?

The WITNESS. Yes.

The COURT. That's the way he built it up?

The WITNESS. Yes; with this one exception, Judge, if I could explain this. At the time this contract was made—

The COURT. What contract are you referring to now?

Mr. GARNER. Grand Jury Exhibit 1.

The WITNESS. Grand Jury Exhibit 1. At the time this contract was made the Office of Price Administration had price schedules for every grade and every item of waste material. He couldn't pay above the OPA price schedule, so this contract was drafted in this form, based on the dealer's buying price, quotations as set forth by the American Metal Magazine. This magazine is a publication that is published by the trade, and it shows the buying price by dealers of every grade of waste material in the ferrous and nonferrous fields.

The COURT. You mean like Continental?

The WITNESS. Yes.

The COURT. In other words, he couldn't pay Briggs over a certain ceiling price?

The WITNESS. Yes.

The COURT. But as far as Briggs was concerned, they could sell it to him less than that, or even give it to him?

The WITNESS. Yes.

The COURT. Do you know when Continental and Woodmere offered to purchase this scrap from Renda, whether the price they offered Renda was a higher price than they were paying under the system of competitive bidding direct from Briggs Company before Renda came into the picture?

The WITNESS. Judge, I have never seen the bids, but it would be my opinion it was a higher price.

The COURT. The Woodmere was paying a higher price than they formerly got themselves direct?

The WITNESS. Yes; but I have never seen their bids.

The COURT. Well, it would seem reasonable?

The WITNESS. Yes, Judge; this contract here called Exhibit one covers all of the waste materials that have been accumulated by the Briggs Manufacturing Company, but it does not cover any surplus or obsolete salvage they might have.

The COURT. Surplus or obsolete salvage—you are referring to machinery?

The WITNESS. No.

The COURT. What?

The WITNESS. When I say surplus or obsolete salvage, they might have some cloth they had cut out to upholster automobiles; and if they cut that cloth an inch or a half inch too short, that goes into surplus and obsolete material. If my memory serves me correctly, I don't think he has made more than one or two buys of that.

The COURT. That you might call extraordinary salvage?

The WITNESS. Yes.

The COURT. Due to a mistake, for example, of the cutter?

The WITNESS. Yes.

The COURT. In other words, if a man was cutting a piece of goods for an automobile seat, but miscalculated—

The WITNESS. Yes.

The COURT. And with the pleats it wouldn't cover the subject—

The WITNESS. Yes.

The COURT. Although the goods are new, it is no good for their particular purpose?

The WITNESS. That's right.

The COURT. But would go into salvage and may be reused for some other purpose.

The WITNESS. Yes; it could be used like, for instance, by the cab manufacturers. I might cite another example of surplus salvage. Four weeks ago they had a little fire out there, and they had some rolls of rubber lined up there that go on the floorboards of a car, and this material got wet, and when it is saturated with water it is no good for that purpose, and I purchased those rolls—I believe there were 37 rolls, weighing about 7,000 pounds—and I purchased those rolls from him.

The COURT. What did he make on that deal?

The WITNESS. He paid \$5 per ton for those rolls.

The COURT. What did you pay?

The WITNESS. \$50.

The COURT. He paid \$5 per ton?

The WITNESS. Yes.

The COURT. And you paid \$50 per ton?

The WITNESS. Yes.

The COURT. There were 7,000 tons?

The WITNESS. Oh no, 7,000 pounds.

The COURT. And you paid him a differential of \$45 per ton.

The WITNESS. Yes; if I can check this here to make sure on it. I believe that figure was correct. That is what is meant by surplus and obsolete stuff.

The COURT. All right.

Mr. GARBER. I will want to get this exhibit 8 marked as an exhibit.

(Thereupon a document was marked Grand Jury exhibit 8 by the Reporter.)

By Mr. GARBER:

Q. This Grand Jury Exhibit 8 was the comparison you made as to the rags and mixed trim, cuttings and so forth against Grand Jury Exhibit 1, which was the buying price?—A. Yes.

Q. Do you know whether scrap, such as indicated here on Grand Jury Exhibit 3 was higher the second quarter, that is beginning April 1, 1945, than it is at the present time?—A. You mean right this minute?

Q. Yes.—A. Yes; it would be higher for this reason, because the OPA regulation was suspended November 11, and immediately scrap iron increased in price, as well as other ferrous metals.

Q. Can you look at this Grand Jury Exhibit 3 and the bids as reflected there by Continental and see what the difference is, the difference for the second quarter of 1945, and what they are now paying the Renda Company?—A. I don't follow you.

Q. Here is the bids submitted for these materials by the Continental Metals.—A. Yes.

Q. They are still buying those metals or materials?—A. Yes.

Q. Would this be a fair comparison as to what they are bidding in the second quarter of 1945 and what they are paying now, as to whether it was greater or less?—A. It wouldn't be a fair comparison, because it is greater right now.

Q. Because the OPA regulations have been removed?—A. Yes. I know one particular instance on scrap iron the price advanced \$5 per ton.

Q. When did the OPA regulations go off scrap iron?—A. The OPA regulations were suspended on all waste materials November 11.

Q. What year?—A. This year.

Q. So, if this contract is in force now, the Renda Company can ask more if they care to? In other words, go above the former OPA regulations, is that correct?—A. Well, I will explain that to you.

The COURT. In other words, right here, up to November 11th of this year, the OPA had a ceiling on material, scrap?

The WITNESS. Yes.

The COURT. The ceiling has now been abrogated?

The WITNESS. Yes.

The COURT. Right now they are right back to the law of supply and demand?

The WITNESS. Yes.

The COURT. The sky is the limit?

The WITNESS. Yes.

The COURT. Depending on the demand?

The WITNESS. Yes; every consumer of waste material, whether waste paper consumer or metal consumer have a meeting of five or six of the largest in the country, might be American Steel or Bethlehem Steel, they might get together and say, "we need a million ton of iron this month," and every mill will submit their inventory, how much scrap iron they have, and they will determine what price shall be paid to the dealer for scrap iron.

The COURT. Of course, they are not violating the antitrust laws, but that tells the story.

The WITNESS. And from that they determine whether they should raise the price of scrap iron \$5 per ton, which they did.

By Mr. GARBER:

Q. When?—A. I don't know, Mr. Garber, being I don't deal in scrap iron. I can tell you what Mr. Freedman told me.

Q. Yes; tell us.—A. He told me the Great Lakes Steel Company out here in Ecorse raised the price \$5 a ton on the 15th or 17th of November, and the reason I know about this is because Mr. Renda called Mr. Freedman with reference to raising the price, because he had been called by Mr. Cochrane, who is in Mr. Cleary's place, and Mr. Cochrane asked him when he was going to raise the price of scrap iron. I wasn't in Mr. Cochrane's office when this conversation took place, but Mr. Renda told me he told Mr. Cochrane to hold the matter in abeyance until the ruling was definitely settled, because there was some confusion the first few days after the OPA regulations had been suspended. So he got together with Mr. Freedman and asked Mr. Freedman what the new price was going to be, and I was present there also, and Mr. Freedman told him, "We have a contract whereby we are supposed to buy at a certain price from you," and Mr. Renda told him that "the contract was based on OPA regulations, but now there isn't any OPA regulations in existence, and I have to adjust my price with the Briggs Manufacturing Company, and I want to know what adjustment you are going to make on your price." So Mr. Freedman told Mr. Renda to go to the Briggs Manufacturing Company and speak to Mr. Cochrane and see what price they could arrive at, as far as the increase was concerned. Mr. Renda went there. I wasn't present, and he came back and we met together with Mr. Freedman again and he told Mr. Freedman that the Briggs Manufacturing Company, Mr. Cochrane, is demanding a raise of \$5 a ton as of November 11th, the date the OPA regulations were suspended. Mr. Freedman agreed to revise his purchase price from the Carl Renda Company accordingly as of November 11th.

The COURT. Now, whether Cochrane actually raised the price to Renda of \$5 a ton, you don't know.

The WITNESS. No.

The COURT. Except what Renda told you?

The WITNESS. Yes.

The COURT. When you are checking, you will find out whether that is true or not?

The WITNESS. Yes. That is as of November 11th.

The COURT. Armistice Day?

The WITNESS. Yes.

By Mr. GARBER:

Q. You told us a while ago about the company reporting to you Mr. Renda was called in by Mr. Cochrane relative to this contract.—A. Yes.

Q. You told us about that conversation?—A. Yes.

Q. Do you recall when that was, approximately?—A. I would say it would be approximately 90 days ago.

Q. 90 days?—A. I might be able to add something to that. At that particular time they had a surplus of aluminum ingots, about 350 tons, and that—Mr. Cochrane was getting ready to sell this material, and I believe they called Mr. Renda in and asked Mr. Renda—I wasn't there, but this is what Mr. Renda told me. Mr. Cochrane called Mr. Renda in, and he said, "We have these 350 tons of surplus material ingots we are going to sell, and we want to know what price you are going to submit us for it." So Mr. Renda told me that he told Mr. Cochrane that he felt he should purchase these 350 tons of surplus material ingots at the same price covered under his contract.

The COURT. You said that Renda said he should do it.

The WITNESS. Yes; he felt he was entitled to purchase these 350 tons, and I believe that was about the time that Mr. Cochrane started a discussion of this contract with the attorneys for the Briggs Company.

The COURT. And who was the executive that was present there, that executive you don't know?

The WITNESS. No; Mr. Renda told me his name, but I don't remember.

The COURT. Could it have been Blackwood?

The WITNESS. It could have been Blackwood. So on the final result of this 350-ton deal they weren't purchased under the price of the contract. I believe he had to pay him more money for them. I never saw the actual figures, but I do know the material was sold to the Continental Metals Company.

The COURT. They ultimately got it?

The WITNESS. Yes.

The COURT. Through Renda?

The WITNESS. Renda purchased it, sold it to them, and what his sale price was, I don't know.

The COURT. Whose sale price?

The WITNESS. Renda's sale price.

The COURT. And you don't know what Renda paid Briggs?

The WITNESS. No.

The COURT. And you don't know what Renda got from Continental?

The WITNESS. No; it wasn't in the written contract, but he did tell me he was able to purchase it at the price under his material contract.

By Mr. GARBER:

Q. But they did discuss at that time whether this contract was binding on the Briggs Company?—A. Yes.

Q. And the opinion of the lawyer, whoever he may have been, was that this was a good and valid contract binding on them, and they had to adhere to it; is that right?—A. Yes.

Q. And that was some 90 days ago?—A. Yes; I believe it was around the same time this 350-ton deal came up.

The COURT. You don't know what lawyer that was?

The WITNESS. Mr. Renda told me, Judge, it was the lawyers at the Briggs Manufacturing Company.

The COURT. You don't know whether it was a lawyer attached to the plant or one of the lawyers downtown.

The WITNESS. According to what he told me when he came in the office, they were called out of another office, and it is possible it could have been the lawyer attached to the plant.

The COURT. Do you know why that conversation came up, what precipitated it?

The WITNESS. That 350-ton-of-material deal because Renda wanted to purchase it under his contract.

The COURT. In discussing the 350-ton material deal, the binding effect of the contract was dragged into the picture?

The WITNESS. Yes.

The COURT. We will have a little recess here.

(Recess.)

By Mr. GARBER:

Q. So that this contract, Grand Jury Exhibit 1, was passed and approved by the lawyers, according to Mr. Renda, approximately 90 days ago.—A. Yes.

Q. Nothing was done to change the provisions that you know of?—A. The only provision I know was the increase in price.

Q. That is what you were told; whether that increase actually took place, you don't know?—A. No.

Q. That might have been a story to get \$5 more out of the other companies; is that right?—A. Yes.

The COURT. Could well be.

By Mr. GARBER:

Q. Could well be.—A. Yes.

Q. Nevertheless the contract as investigated by Mr. Cochrane remained in force?—A. Yes. I don't know whether I told you this, but Mr. Louis Freedman, of the Woodmere, did agree to increase the price to the Renda Company of \$5.

Q. So you know Mr. Renda is receiving \$5 a ton more, but you can't say it definitely whether or not he is paying \$5 more?—A. That's right.

Q. Now, some two months ago you had a conversation with Mr. Renda about the Grand Jury and certain articles that appeared in the paper; correct?—A. Yes.

Q. What was that conversation?—A. The conversation was—

Q. Where were you at the time, by the way?—A. I may have been at Mr. Carl Renda's warehouse at 1135 Bellevue.

Q. And how did the conversation come about?—A. Carl Renda asked me if I had been reading the papers, and I says, "what are you referring to?" He said, "Well, the Grand Jury is investigating the situation at Briggs."

Q. Did he say "beatings" or "situation" now?—A. The situation at Briggs.

Q. You are sure now that was two months ago—couldn't have been two weeks ago.—A. No; it has been more than two weeks ago.

Q. All right.—A. It might have been a month ago, but I know it has been more than two weeks ago.

Q. He said we were investigating the situation at Briggs?—A. Yes.

Q. All right; what else?—A. I says to him, "what kind of a situation," and he says, "the beatings that have been going on at Briggs," and he says to me that it looks like he might be called in, and I said, "why might you be called in," and he said, "because I have the contract with Briggs for the scrap." So I said, "what has the contract got to do with the beatings," and he said, "I don't know what the contract has got to do with the beatings" outside of the fact that he has the contract with the Briggs Manufacturing Company.

Q. And he anticipated he would be called down here?—A. Yes.

Q. Did he say you might be called down here?—A. No.

Q. Did he say, in the event you were called down here, what you were to do?—A. No.

Q. Never mentioned the fact that you might be brought down?—A. No.

Q. But he did mention he expected to be brought down?—A. Yes.

Q. Because of the investigation of the beatings?—A. Yes.

Q. No question about that?—A. No, sir.

Q. Now, at that time did you expect to be brought down here?—A. No, sir.

The COURT. Didn't you think, from what you knew about that contract and its ramifications, that possibly a fair going Grand Jury investigation may take you into it?

The WITNESS. I knew it was possible, Judge.

The COURT. You didn't think it was probable?

The WITNESS. Because I had no interest in the Carl Renda Company.

By Mr. GARBER:

Q. Well, now talking about that thing, how much business have you done with the Carl Renda Company?—A. Approximately \$6,039.

Q. In how long a period?—A. From September 1945 up until December 2nd.

Q. How much profit did you make out of that, approximately?—A. This would be an approximate figure, but about 25% or \$1,500.

Q. Made about \$1,500?—A. Yes.

Q. That is, from certain merchandise or scrap you were able to purchase from the Carl Renda Company that you resold, you made approximately \$1,500?—A. Yes.

The COURT. For all your friendship?

The WITNESS. Yes.

The COURT. For what you did for Carl Renda and Perrone, that is all you have got out of it?

The WITNESS. Yes.

The COURT. You have no interest in the Carl Renda Company?

The WITNESS. No.

The COURT. No interest in that contract?

The WITNESS. No, sir.

The COURT. Whether in writing or just verbally?

The WITNESS. No.

By Mr. GARBER:

Q. You have that all set up in your ledger?—A. Yes.

Q. Every bit of business you have done with the Carl Renda Company?—

A. Yes.

Q. That is either here or in your office now?—A. Yes.

Q. That is another thing.—A. Yes.

Q. We are going back now to this business of when the Carl Renda Company came into being and this contract, this exhibit one was being negotiated for or whatever was negotiated before this contract came into being.—A. Yes.

Q. What moneys did Carl Renda have, if any?—A. I don't think he had much of any money, because of the fact that his wife borrowed money from her father.

The COURT. When you say "much of any," you mean \$100, \$150?

By Mr. GARBER:

Q. A thousand dollars?—A. It is possible he might have had a couple of thousand dollars before.

The COURT. Where would he get that?

The WITNESS. From working at the National Twist Drill and Tool.

Mr. GARBER. He was employed there?

The WITNESS. Yes.

The COURT. What was his personal habits? Did you ever see him under the influence of liquor?

The WITNESS. No; I have had a drink with him.

The COURT. Is he a man that carries concealed weapons, to your knowledge?

The WITNESS. No. I will tell you what I know. I understand here two months ago or six weeks ago he was issued a permit to carry a weapon.

By Mr. GARBER:

Q. By whom? The prosecutor's office?—A. I never saw it, but I was told by him he was issued a permit to carry a weapon.

Q. Why would he need a weapon?—A. Well—

Q. What possible explanation could he give for needing or carrying a revolver?—A. Mr. Garber, in drafting all of these agreements, I never made out his application.

Q. I know, but can you, of your own knowledge, conceive of any reason why Carl Renda would need a gun and could actually get a permit? He couldn't get a permit to carry a blackjack, so the only thing he would have to carry is a pistol. What would he need a gun for, to your knowledge or belief?—A. He told me one of his reasons was for protection for himself, against himself.

The COURT. Against what?

The WITNESS. Pardon me; protection for himself, he was carrying large sums of money. I didn't see the application, although I did sign my name on the application as a reference, that I know him.

Q. Did you ever see any large sums of money on him?—A. No, sir; I think the most I ever seen on him is a few hundred dollars.

By Mr. GARBER:

Q. You think he got that gun two months ago?—A. I think, Mr. Garber, it would be exact, it would be either six or eight weeks ago. I never saw the permit.

Q. But you did sign his application for one?—A. Yes.

Q. And that was some six or eight weeks ago?—A. Yes.

The COURT. In other words, you at least know he was applying for permission to carry a gun?

The WITNESS. Yes.



The COURT. And you endorsed the application?

The WITNESS. Yes.

The COURT. Whether he got the right to carry it, you don't know?

The WITNESS. No, sir. The only thing I could tell you is this, Judge, he did tell me he did get his permit to carry concealed weapons, but I never saw it.

The COURT. He told you he got it?

The WITNESS. Yes.

Mr. GARBER. Do you know whether he owned a gun or not?

The WITNESS. No.

The COURT. Did you ever see him with a gun?

The WITNESS. No, sir. I know—the only thing about firearms, I know he has a rifle when he goes hunting. He invited me hunting with him, but I didn't go.

By Mr. GARBER:

Q. But he did make application, you know, and he told you he did get a permit to carry a gun from the Gun Board?—A. Yes.

Q. Let's go back again where we were when we got off on the gun permit. It is your understanding that Carl Renda may have had not to exceed two thousand dollars, and he may have had considerable less than that?—A. Yes.

Q. And he needed considerable money to go into this scrap business, in order to handle it?—A. Yes.

Q. And his wife, who is the daughter of Sam Perrone?—A. Yes.

Q. Did borrow some money from Sam Perrone?—A. Yes.

Q. How much money, were you told?—A. Well, she received from Sam Perrone—I made out the note for Mary Renda to sign to her father—Carl's wife, and, Mr. Garber, if I can remember correctly, I don't know whether it was \$14,000 or \$18,000. It was in between those two figures.

Q. It was either one or the other.—A. Yes.

Q. Either fourteen or eighteen thousand?—A. Yes.

Q. And that was about the time that Mr. Renda was going in the scrap business?—A. No; I think that was about the time—I made out these notes about the time when he purchased the trucks, although I was led to believe that that sum had been loaned different times, sums equaling that amount.

Q. So that was an accounting, sort of an accounting?—A. Yes.

The COURT. But the note amounted to an acknowledgment of an alleged indebtedness?

The WITNESS. Yes.

The COURT. Of Carl's wife to her father?

The WITNESS. Yes.

The COURT. For moneys advanced to her or to Carl?

The WITNESS. Yes.

The COURT. Over a period of some months prior to the time you made the note?

The WITNESS. Yes. I might add something else, Judge, your Honor. In addition to that note—I don't have a copy of the agreement on that particular date, but there was an agreement made out between Carl Renda and Mary Renda to the effect that Carl Renda could not sell that business until that debt was satisfied, and Mary Renda was an equal copartner in this business.

Mr. GARBER. Anything in there about the survival in case of death of Carl Renda?

The WITNESS. No.

The COURT. Just there, have you a copy of that agreement?

The WITNESS. No, sir.

The COURT. Did you ever make a will out for Carl Renda?

The WITNESS. No.

The COURT. Did you ever make one out for Mary Renda?

The WITNESS. No.

The COURT. Did you ever make one out for Perrone, including Sam?

The WITNESS. No.

By Mr. GARBER:

Q. Ever make out an income-tax return for Carl Renda or Sam Perrone?—A. No.

The COURT. Did Carl Renda ever file an income tax return before he got the contract with Briggs, if you know?

The WITNESS. The only thing I would know if he was working at the National Tool and Drill, they would deduct, I imagine. I can give you the name of the accountant for the Carl Renda Company now.

The COURT. What is his name?

The WITNESS. Sidney Foreman, a certified public accountant. It is the Foreman and Oppenheim Company.

The COURT. Where is he located?

The WITNESS. Penobscot Building.

The COURT. Did you recommend Foreman?

The WITNESS. Yes.

Mr. GARBER. You "wet-nursed" this business all the way through?

The WITNESS. Yes.

The COURT. You're still sure you have no interest in this?

The WITNESS. On my right hand, I should drop dead this minute, I have no interest in it. I am telling you the truth, Judge.

The COURT. All right, go ahead.

By Mr. GARBER:

Q. When did you draw this partnership agreement between Mary and Carl?—A. I think the partnership agreement and the assumed name certificate—the assumed name certificate was made first—in maybe thirty or sixty days after.

Q. What year and what month?—A. I believe in the early part of 1945. The assumed name certificate was registered in the County Building and the partnership agreement was made either two or three months after that.

Q. Either two or three months?—A. After the assumed name certificate was registered.

Q. It was after that that Renda signed a note or did Mary sign the note to Sam Perrone?—A. Mary signed the note.

Q. Did Carl sign it?—A. No, Carl signed the other agreement that stipulated he couldn't sell the business until the indebtedness on the note was satisfied.

The COURT. Does that note draw any interest?

The WITNESS. No.

The COURT. When is it due?

The WITNESS. On demand.

The COURT. A demand note for either \$14,000 or \$18,000?

The WITNESS. Yes.

The COURT. Signed by whom?

The WITNESS. Mary Renda.

The COURT. By Carl also?

The WITNESS. No.

The COURT. Just Mary?

The WITNESS. Yes, and the money was loaned to Mary.

By Mr. GARBER:

Q. How do they draw their funds from this business, that is, Mary and Carl?—

A. I have never seen the checks, but Carl has told me he draws \$150 a week, and I am not sure whether he told me Mary draws \$150 a week or a hundred, and they draw it by weekly checks.

Q. What happens to the balance of the money they don't draw? That doesn't make much of a withdrawal from the business.—A. They have a lease on the yard and they pay that rent and they leased from the Western Paper Box Company, and Carl Renda's brother works there. I don't know whether he told me he gets fifty or sixty dollars a week.

The COURT. A younger or older brother?

The WITNESS. Younger.

By Mr. GARBER:

Q. A step-brother, half brother?—A. Half brother, and they have a girl in the office and a bookkeeper. I think he told me she gets \$50 a week, and he told me he has quite a bit of obligations by making payments on the tractors and trailers, but what those are I don't know.

Q. But he didn't have that until about six months ago?—A. Yes.

Q. And he has the additional revenue of \$1 per ton from every one of those tractors, which he receives from Woodmere?—A. Yes.

Q. So the trucks are earning \$1 a ton for each ton they haul?—A. Yes.

Q. No expense except the normal amount of insurance?—A. Insurance and license.

The COURT. The company keeps up the maintenance of the trucks?

The WITNESS. The Woodmere Scrap Company, yes, and they have to furnish Workmen's Compensation for their drivers that are driving those trucks.

Mr. GARBER. So they are a good investment from the hauling standpoint alone, are they not?

The WITNESS. Yes, that lease for the trucks, your Honor, I prepared also, and that is here.

The COURT. For those trucks operating between the Briggs plant—

The WITNESS. Yes.

The COURT. And Woodmere?

The WITNESS. Yes.

The COURT. Has he another fleet of trucks operating with Continental?

The WITNESS. No, all of the metal Continental buys, they haul with their own trucks.

The COURT. Then the stuff is bundled and is sent to the Waste Paper Company at Monroe?

The WITNESS. Yes.

The COURT. And that is put in carloads and he pays Briggs \$1 per ton for loading?

The WITNESS. Yes.

By Mr. GARBER:

Q. Which he passes on to the mills?—Y. I don't know whether he has got six trucks leased out to the Woodmere or five. The figure I am not clear on, but he does have one truck at his own place that he picks up all the scrap rags he brings in there, puts on his truck.

Q. He also does some delivery work with that truck, which the Renda Company owns, for the Detroit Michigan Stove Company?—A. I don't know that. It might be possible. I know several times he has hired City Messenger Company trucks for deliveries.

The COURT. How many trucks has Sam Perrone got working out of the Michigan Stove Works?

The WITNESS. I think he has two dump trucks, and I think either two or three stake trucks.

The COURT. Stake?

The WITNESS. Yes, with wooden stakes.

The COURT. Yes.

By Mr. GARBER:

Q. Now to go back to one more thing. When you asked Mr. Renda how he got this deal—A. Yes.

Q. He told you it was through a social connection?—A. Social contact.

Q. What is your best judgment as to what that social contact was?—A. He told me the social contact with Mr. Cleary. It is possible his social contact could also be with Mr. Fry.

Q. Who knows his father-in-law well, and he also knows him well?—A. Yes.

Q. And you never, in all your life, in all the years you have known Mr. Renda, ever heard him mention the name of William J. Cleary previous to the time he was about to get this contract?—A. That's right.

Q. But you have heard him mention John Fry?—A. Yes.

Q. Before that?—A. Yes.

Q. Now, we have one more thing. This truck deal or trailer deal.—A. Yes.

Q. Tell us about that.—A. May I refer to that contract?

Q. Certainly, get whatever things you want there.—A. In the early part of July of this year, I received a call from Mr. Renda, and Mr. Renda asked me if I could accompany him to the Kramer Orloff Company. The Kramer Orloff Company is a company owned by Mr. Kramer and Mr. Orloff, and engaged in the scrap-iron business in Detroit here.

Q. Do you know whether or not that is the company San Perrone sells his scrap to, which he obtains at the Detroit Michigan Stove Works?—A. Yes; I do know it.

Q. Sam Perrone and this Orloff Company have been doing business over a number of years in scrap?—A. Yes; quite a number of years.

Q. All right, go ahead from there.—A. I asked Mr. Renda what he had at the Kramer Orloff Company and his conversation with me was to the effect that he was contemplating buying equipment to haul the material from the Briggs Manufacturing Company, and he said that he was having difficulty get-

ting equipment from the trailer company; he was having difficulty getting trailers from the regular trailer manufacturer.

The COURT. Such as Fruehauf?

The WITNESS. Yes, and Trailmobile, so he said he had had a conversation with Mr. Kramer of the Kramer Orloff Company, and they had told him they have a connection with the Gramm Trailer Company, in Kentucky, whereby they could get immediate delivery of trailers. In order for them to get these trailers, or to make a deal with Renda or do Renda the favor to get him the trailers, they wanted Renda to sell them the scrap iron he was getting from Briggs.

The COURT. The ferrous?

The WITNESS. Yes.

The COURT. Or nonferrous or both?

The WITNESS. No, just the nonferrous, so he asked me if I would come down there and meet Mr. Kramer and meet Mr. Orloff, so we could discuss this deal. I asked him when he wanted me to go, and he said what time would be convenient for me, and we made a date in the month of July. I don't know whether the first week or the second week, but he picked me up at my office, and we went down there, I went down with Mr. Renda and met Mr. Kramer and Mr. Orloff.

By Mr. GARBER:

Q. Mr. Perrone there?—A. He wasn't there on that occasion but he was there on another occasion.

Q. All right, go ahead, and tell us when he comes into the picture.—A. All right. After I was introduced to Mr. Kramer and Mr. Orloff, Mr. Kramer, who was the spokesman for the company, told me he could get immediate delivery for trailers for Carl Renda, and Carl Renda told him if he would get him the trailers, he would sell him scrap iron. So we started discussing the prices that Carl Renda was going to sell the scrap iron to the Kramer Orloff Company for, and according to this agreement that was made, but never signed.

Q. Prepared, but not signed?—A. Yes.

Q. Prepared by whom?—A. By myself.

The COURT. Is that an exhibit?

Mr. GARBER. No, we will make it one.

The WITNESS. We set up the price that Carl Renda was to receive for scrap iron he was going to sell to the Kramer Orloff Company.

By Mr. GARBER:

Q. Was that higher than he was charging Woodmere?—A. I could check that if you want me to.

Q. Just check it. You can't from that, can you?—A. I have it right here.

The COURT. What is the exhibit you are looking at?

Mr. GARBER. Exhibit 1.

The WITNESS. Exhibit 1, this is the Kramer Orloff agreement. The clips—Mr. Garber, I might say these prices were based on a delivered basis, to be delivered by Mr. Renda's trucks and trailers after he got them. These clips were going to be sold, delivered to the Kramer Orloff Company at \$12.50 per ton, as against a sale price f. o. b. Briggs plant, picked up by the Woodmere Scrap Iron Company, of \$7.50 per ton, which would make a difference of \$5 per ton.

By Mr. GARBER:

Q. In other words, he would make \$5 for the hauling?—A. Yes.

Q. \$5 a ton?—A. Yes. You want me to go down these items?

Q. Go down a couple more.—A. Yes.

The COURT. To sell the scrap first to Woodmere?

The WITNESS. Yes.

The COURT. And then he, Renda, was to haul it in his own trucks to the Kramer Orloff Company.

The WITNESS. Yes.

The COURT. And for that hauling he would get \$5 per ton?

The WITNESS. Yes.

The COURT. In trucks he would obtain?

The WITNESS. Yes.

The COURT. Through the connections of the Kramer-Orloff Company from this company in Kentucky?

The WITNESS. Yes.

By Mr. GARBER:

Q. But the trucks would be Renda's?—A. Yes.

Q. Pick another item or two and that will be sufficient. Kramer Orloff Company was \$15.32 as compared to the sale price to the Woodmere Scrap Iron Company f. o. b. the Briggs plant at \$10.50, which would make a difference of \$4.82 per ton.

The COURT. In that transaction what would Woodmere get, if anything?

Mr. GARBER. You have a misapprehension, your Honor. He is going to take it away from Woodmere.

The WITNESS. Yes.

Mr. GARBER. He was going to sell it direct, but he would make \$5 a ton on the price of delivery.

The WITNESS. Yes.

The COURT. In other words the hauling price to Woodmere is taken as a basis and he was to add \$5 a ton?

The WITNESS. Yes.

The COURT. On some items?

The WITNESS. Yes.

The COURT. And others was \$4.82?

The WITNESS. Yes.

The COURT. Are there other items to check?

The WITNESS. Yes.

The COURT. Where he sold that particular scrap to Kramer Orloff?

The WITNESS. Yes.

The COURT. And Woodmere got that much less?

Mr. GARBER. They didn't get it.

The COURT. They didn't get that in their contract?

The WITNESS. Yes.

Mr. GARBER. Woodmere goes out of the picture and he makes four or five dollars a ton for delivery, is that correct?

The WITNESS. Yes.

By Mr. GARBER:

Q. The deal he had with Woodmere, they were doing this hauling which he now says is worth \$5 a ton, and he is still making a profit of two, three, or five dollars a ton on the scrap.

The COURT. He is taking that business away from Woodmere?

The WITNESS. Yes.

The COURT. And he is taking as a basis of his profit the same differential between the price he paid Briggs and sold to Woodmere, and he is adding \$5 per ton for haulage, is that correct?

The WITNESS. No; actually to explain it, how we arrived at this price here, this was the OPA ceiling price, and the difference between what Mr. Renda was going to sell the material to the Kramer Orloff was what they would get between this price here compared to what he was getting at Woodmere, which would be the overcharge, what he would get for the hauling.

Mr. GARBER. Give us one item more.

The COURT. Yes; go ahead.

By Mr. GARBER:

Q. One more item there and then we will forget about it.—A. The heavy melting steel, his sale price to Kramer Orloff Company delivered was \$15.32 as compared with the sale price to Woodmere Scrap Iron f. o. b. Briggs plant of \$10.50, which would make a difference of \$4.82 per ton.

Q. He was going to add approximately \$5 a ton for the hauling?—A. Yes.

Q. What happened to the deal?—A. There was an agreement reached as to what Mr. Renda was going to receive for the scrap iron he was going to sell to the Kramer Orloff Company from the Briggs Manufacturing Company. The Kramer Orloff Company went ahead and placed an order with the Graham Trailer Company in Kentucky, in their own name, ordering six Graham trailers approximately 20 feet long and 8 feet wide, special equipment for the hauling of scrap iron.

The COURT. That would amount to, you say, in dollars and cents, how much?

The WITNESS. I believe I saw the purchase order signed by the Kramer Orloff Company, and I believe it ran close to \$20,000.

By Mr. GARBER:

Q. Buy that on time or pay cash?—A. The Kramer Orloff Company, I think, gave them a check for about \$7,500 down.

Q. And the rest would be financed?—A. Yes.

Q. All right.—A. So it was agreed that the Carl Renda Company, as soon as they would get delivery of these trucks and trailers—before I forget something, your Honor—two of the plants at Briggs require a certain type of equipment called a winch. It is a mobile winch for lifting heavy boxes, and the Kramer Orloff Company was going to build two winches for Carl Renda, so he could furnish those winches to the Briggs, and these winches—I never saw the papers on them, but I understood Kramer Orloff Company was going to charge him \$1,500 a winch. That was all of the equipment the Kramer Orloff Company was going to purchase for the Carl Renda Company, and then it was agreed as soon as he would get delivery of this equipment, that the Carl Renda Company would start hauling the scrap iron with this equipment, and deliver the material to the Kramer Orloff Company for the six trailers. Right here now, it was further agreed, when this contract would expire, the term of which was one year, that Carl Renda Company would purchase this equipment from the Kramer Orloff Company at the original purchase price.

The COURT. At the end of the year?

The WITNESS. At the end of the year, although verbally, which wasn't in the contract, it was agreed by and between Mr. Renda, Mr. Kramer, and Mr. Orloff, that at any time during the period of a year, if Mr. Renda had excess money he could pay some money on that equipment. The Kramer-Orloff Company was going to vest title in this equipment immediately when they got delivery—

Mr. GARBER. In Renda?

The WITNESS. Yes, and I believe the Renda Company was going to give the Kramer Orloff Company a chattel mortgage for the cost of the equipment.

By Mr. GARBER:

Q. Which time did Sam Perrone come up there?—A. He came over there the second time I was in the Kramer-Orloff office.

Q. Did he take any part in the conversation?—A. The only part he took in the conversation—we were having difficulty as far as the price that the material was going to be sold for, and Mr. Kramer told Mr. Perrone, he said, "Sam, we have been doing business with you for a long time; we have always got together; why is your son-in-law so hard? Why can't we get together on the price?" Mr. Renda told him—

Q. Mr. Perrone, you mean?—A. Mr. Renda.

Q. All right.—A. Mr. Renda spoke up and he said, "I feel you want to make too much profit for the preparation of this material," so they were dickering back and forth and finally they arrived at these prices.

Q. Those prices were agreed on?—A. Yes, so after these trailers were being delivered—they didn't come all at one time—they came in one or two at a time. They are flat-bottom trailers, Mr. Garber, without side supports, and the Kramer-Orloff Company agreed to build the sides out of plate metal, and for that service I think their charges were around \$300 a truck, which Carl Renda agreed to pay. If I remember correctly, Mr. Garber, I don't know whether the trucks were held by Mr. Kramer and Orloff or they were given immediate delivery on the trailers by the Trailer Company but the trailers were not put to work until they were all built up with the side supports, and Fiske wheels and tractors.

Q. Who bought the tractors, the Carl Renda Company?—A. The trailers were all fixed up with the side supports, so they were not put into operation until all six trailers had the side supports, and he had the tractors.

Q. All fixed up?—A. Yes, ready to go.

Q. Then what happened?—A. Then, after that I said to Mr. Renda, what are you going to do with Louis Freedman, you have some arrangement with him? I said, "You have a contract with him." I believe that other contract is there which would correspond with this date here, Judge, if I can look at it here. The contract, previous to this exhibit—that hadn't been marked. Previous to this contract executed at the Woodmere Scrap Iron Company, dated July 16, 1946, expired June 30th.

Q. Yes.—A. And this contract expired—

Q. You are talking about what contract?—A. This contract dated July 16, 1946, expired.

The COURT. This contract with whom?

The WITNESS. Between Woodmere and Renda. I am trying to place a date in my mind, Mr. Garber. I think it would be approximately either 30 or 60 days after we had the conversation with the Kramer-Orloff Company to get delivery of the trailers and tractors, and when he did get delivery of the trailers and

tractors, I asked Mr. Renda, I said, "You know you have a contract with the Woodmere Scrap Iron Company, or some arrangement or agreement whereby you sold them material for a period of time," and I said, "What are you going to do with them?" He said, "I am going to call them up and tell them after the 31st of July or after the 31st of August—I don't remember which date it was—that they should not send in their trucks any more to the Briggs Company, so he called them up, because I asked them what happened after he called them up, and he said Mr. Louis Freedman, of the Woodmere Scrap Company, wanted to have a talk with him, and he wanted to know why he was cancelling his contract. So he explained to him he had bought his own equipment and that he wanted to haul the material with his own trucks, because he wanted to have his own name on the trucks that were going into the Briggs Manufacturing Company, and he could benefit financially out of doing his own hauling.

Well, Louis Freedman told him he didn't want to lose the business.

The COURT. At this time Renda already had his trucks?

The WITNESS. Yes, and if I can remember correctly, I believe he sent in his trucks, either the first or second day after they were in operation, already started hauling some of the material out.

The COURT. To Kramer-Orloff?

The WITNESS. I think there was a load or two that went there, I am not sure. I wouldn't be positive about it, so Louis Freedman said he didn't want to lose the business. He said, "Carl, isn't there some way we can get together on this truck situation?" I believe Louis Freedman made an offer to buy this equipment, and Carl Renda refused to sell the equipment. I believe Mr. Freedman offered to buy it from him at actual cost. He said, "How would it be if we leased the equipment from you," and Carl Renda said he would be willing to lease, and entered into a proposition about leasing the equipment, and they started talking about fifty cents a ton, and Carl Renda said he wouldn't be satisfied to lease the equipment out for fifty cents a ton. He said, "However, if you want the business and you want to lease the equipment, I am willing to lease the equipment to you, and I will lease you all of my equipment at \$1 a ton per month for each ton of merchandise you haul out of the Briggs Manufacturing Company, but I want to have a contract for a certain length of time." So I prepared the lease for this equipment.

The COURT. Do you have that here?

The WITNESS. Yes, sir, right here. I prepared a receipt which will acknowledge the receipt of the six tractors and trailers by the Woodmere Scrap Iron and Metal Company. The receipt was dated—no, pardon me, it was not dated, but it was made at the same time that the lease for the equipment was made, and the lease for the equipment is dated July 8th, 1946.

Mr. GARBER. Now, let's mark a couple of exhibits.

(Thereupon, documents were marked Grand Jury's Exhibits 9, 10 and 11 by the Reporter.)

Mr. GARBER. Grand Jury exhibit 9 is the proposed contract and the figures agreed upon to sell the scrap to the Carl Renda Company?

The WITNESS. Yes.

The COURT. What is the date of that?

The WITNESS. This is dated July 1946, the day is left off.

By Mr. GARBER:

Q. And the agreement for the trucks?—A. Yes.

Q. Exhibit 10 is the existing contract with the Woodmere Scrap and Iron Company that you had at the time you were negotiating Grand Jury exhibit 9 with the Kramer Orloff Company, is that right?—A. This is one with the lease in it, but there was one previous to that.

Q. This is the one that carries the lease clause?—A. Yes.

Q. And Grand Jury exhibit 11 is the receipt for the taxes and the lease agreement of the trucks?—A. Yes.

The COURT. And the lease of the tractors also?

The WITNESS. Sure, the lease for the tractors.

The COURT. The receipt for the tractors is not dated?

The WITNESS. No, sir.

The COURT. But it was executed?

The WITNESS. This wasn't dated because it wasn't going to be signed until the tractors and trailers were delivered.

The COURT. This is the 8th day?

The WITNESS. Yes, July 1946.

The COURT. So you did enter into a lease with the Woodmere Company for these same trucks and tractors and trailers that the Orloff Kramer Company had purchased?

The WITNESS. Yes.

The COURT. There were only a couple of truckloads of stuff came out after the trucks were acquired and went to the Kramer Orloff Company?

The WITNESS. If I can remember correctly, yes.

The COURT. Just a small quantity?

The WITNESS. Yes.

Mr. GARBER. How did you get rid of the Kramer Orloff Company?

The WITNESS. Paragraph 4 of this lease——

The COURT. What exhibit?

The WITNESS. Exhibit 11. There is a stipulation here that in case the trucks are damaged beyond the covered insurance, that the damages shall be borne by the party of the second part.

The COURT. That is Woodmere?

The WITNESS. Yes.

Mr. GARBER. Just give us what Woodmere is supposed to do with those trucks?

The WITNESS. All right.

The COURT. You drew that contract?

The WITNESS. I did.

The COURT. Also without stipend?

The WITNESS. Yes.

By Mr. GARBER:

Q. Didn't you get anything for that work?—A. My ledger sheet will show you how much I paid them for material.

Q. You made a profit of \$1,500?—A. Yes.

Q. You still stick to that?—A. Yes.

Q. You would have made the same amount, no doubt, if you had never drawn one of these?—A. I would have been better off if I didn't know Mr. Renda.

Q. Go ahead.—A. This is an agreement where the Woodmere Scrap Iron Company was to leave the equipment from the Renda Company, which is six trucks and trailers at the rate of \$1 per ton, for each ton of material hauled from the Briggs Manufacturing Company. It is stipulated in this agreement in case the Woodmere Scrap Iron Company decides to use these trucks for other purposes outside of hauling scrap iron from the Briggs Manufacturing Company, he has to get permission from the Kramer Orloff—pardon me, from the Carl Renda Company, and arrive at the charge what the Carl Renda Company is going to charge. The paragraph with reference to the insurance I have already mentioned. When this equipment is delivered, the Woodmere Scrap Iron Company was supposed to examine all of the pieces of equipment, to see if they were all in A-1 shape, because some of the tractors were used tractors. They weren't all new tractors.

The COURT. And keep them up?

The WITNESS. Yes; they were supposed to maintain the upkeep, and they were supposed to return the equipment to the Carl Renda Company at the expiration of the lease in the same condition they were delivered, reasonable wear and tear excepted.

Mr. GARBER. How much was that hauling contract good for on the basis of 1,000 ton a month?

The WITNESS. It would be good for \$12,000 a year.

Mr. GARBER. It would be around twelve or fifteen thousand a year?

The WITNESS. Yes.

Mr. GARBER. The rent for the use of that equipment?

The WITNESS. Yes, and it will run more if their production runs higher.

The COURT. In other words, the Carl Renda Company first takes its profit from the Woodmere Company on the sale of the scrap?

The WITNESS. Yes.

The COURT. That is roman numeral one?

The WITNESS. Yes.

The COURT. Roman numeral two, the hauling contract depends on the tonnage?

The WITNESS. Yes.

The COURT. But on the basis of the thing, it looks like a twelve or fifteen thousand dollar a year contract over and above the price of the scrap?

The WITNESS. Yes.

The COURT. By leasing this equipment to the Woodmere Scrap Iron Company?

The WITNESS. Yes, and they are supposed to furnish all the manpower for operating this equipment.



By Mr. GARBER:

Q. That is the drivers and helpers?—A. Yes.

Q. Whatever is necessary?—A. Yes, and in furnishing these drivers they are going to keep them covered with their own workmen's compensation policy.

Q. They will be on their payroll and covered by their policy?—A. Yes, and the lease provides further, if these trucks are used for any illegal acts the Woodmere Scrap Iron Company will have to cover that.

The COURT. Who are the attorneys for Woodmere?

The WITNESS. Mr. Louis Freedman looked this over, and I think he told me to leave this agreement there, and he would have his attorney look it over. They are supposed to maintain them in good, legal condition, and operating condition at all times during the term of this lease.

Mr. GARBER. Yes. The fact is they are supposed to take care of that equipment, keep it in good repair and turn it back to Mr. Renda?

The WITNESS. Yes.

Mr. GARBER. At the end of that lease?

The WITNESS. Yes.

Mr. GARBER. How did the Kramer Orloff Company pass out of the picture?

The WITNESS. When he arrived at an agreement with Mr. Louis Freedman of the Woodmere Scrap Iron Company with reference to leasing the equipment, he went down—I wasn't with him at that time.

The COURT. You were not?

The WITNESS. No, but he told me because I asked him what happened at the Kramer Orloff Company, and I don't know whether Mr. Kramer or Mr. Orloff—in fact both of them, he told me he told them either one or both, he could not go through with the proposed agreement, called exhibit 9 here. He was very sorry but for reasons of his own he couldn't tell them why, but he had to continue on with the Woodmere Scrap Iron Company, and he would reimburse them for all of the moneys they had laid out in ordering this equipment.

The COURT. Just pay off the chattel mortgage?

The WITNESS. I don't believe, your Honor, there was a chattel mortgage issued in it.

The COURT. It was talked about?

The WITNESS. Yes.

The COURT. But he didn't do it?

The WITNESS. No.

The COURT. But Renda had the title to the trucks and trailers?

The WITNESS. I believe he did.

Mr. GARBER. Did Freedman advance any money to pay back the Kramer Orloff Company?

The WITNESS. Not to my knowledge.

The COURT. Were the Kramer Orloff Company put back in status quo? In other words, were they reimbursed for the outlay of those trucks?

The WITNESS. Yes, for the trucks and winches which Mr. Renda tried to sell the winches back to the Kramer Orloff Company, and they told him they had no use for them, and those winches are laying out in the yard of the Carl Renda Company now.

The COURT. When Kramer Orloff were so informed, what did they do about it?

The WITNESS. They were pretty peeved about it, because they told him without their connections he would not have been able to get that equipment.

The COURT. The upshot of the whole thing, Carl Renda bought these trucks from the Kramer Orloff Company and apparently reimbursed them for them, and cancelled the contract that he, Renda, had with them, for the Briggs scrap?

The WITNESS. Yes.

The COURT. And then carried on with the Woodmere, but not as he had formerly, by giving Woodmere the scrap they had under contract with him, plus a lease on the Renda trucks by Woodmere?

The WITNESS. Yes.

The COURT. At the price you stated?

The WITNESS. Yes. May I add something, your Honor?

The COURT. Yes.

The WITNESS. You might not want this on the record.

The COURT. Leave it off the record.

(Discussion off the record.)

The COURT. What is the name of that metal company in the Book Building?

The WITNESS. May I look it up?

The COURT. Yes.

The WITNESS. I am quite sure it is the Reliance Metal owned by Al Robinson.

The COURT. The Reliance Metal Company one time purchased some of the scrap?

The WITNESS. Yes.

The COURT. From the Briggs Manufacturing Company?

The WITNESS. Yes.

The COURT. That had formerly been purchased by the Continental Metals?

The WITNESS. Yes.

The COURT. Metals?

The WITNESS. Metals Company, yes.

The COURT. But when Renda came into the picture, that particular type of scrap was lost, so far as this Reliance Metals was concerned?

The WITNESS. Yes.

The COURT. And that was included in the material that was purchased by Renda?

The WITNESS. Yes, with the exception of one plant, your Honor, the Mack Avenue Plant, which went to the Reliance Metals.

The COURT. That still goes to Reliance Metals?

The WITNESS. No; it went to the Reliance Metal, I think, for a ninety-day period.

The COURT. And then went back to Renda?

The WITNESS. Yes.

The COURT. What is this woman's name you mentioned here a few minutes ago?

The WITNESS. I don't know her name. Mr. Robinson told me.

The COURT. She works on his staff?

The WITNESS. Yes.

Mr. GARBNER. Still there?

The WITNESS. The last time I saw Mr. Robinson was about 6 months ago, and he said this woman's brother had just got out of the air force, I believe, and he works for the Reliance Metal also, and he said they were in the social circles, know all the people that go to the Detroit Athletic Club and the Detroit Yacht Club, and this woman is a saleswoman for him.

Mr. GARBNER. But you don't know her name?

The WITNESS. No.

Mr. GARBNER. And her brother now works for Robinson?

The WITNESS. Yes.

The COURT. How old a woman is she?

The WITNESS. I have never met her. I think he told me she was close to thirty.

The COURT. Is Al Robinson of Jewish extraction?

The WITNESS. Yes.

The COURT. Who is in that company with him?

The WITNESS. He's in business for himself, but he was in partnership formerly with a fellow named Joe Feldman.

The COURT. How old is Robinson?

The WITNESS. I would say around 37 or 38.

The COURT. How much business does he do, I mean roughly?

The WITNESS. Well, I know of one deal he had with the War Assets involving \$90,000. That is aluminum. He has some big accounts in the city of Detroit. He has the Detroit Gasket, one of his private accounts. Whether this woman obtained it or not, I don't know.

Mr. GARBNER. Is she Jewish?

The WITNESS. No; but he said nobody could take that account away from him, and he has four or five other good accounts.

The COURT. I understand it, as the matter stands now, this Reliance Metal, Al Robinson—

The WITNESS. Yes.

The COURT. Has lost the entire Briggs account?

The WITNESS. Yes.

The COURT. All of what he had either went immediately to Renda or after a period of some 90 days it went to Renda?

The WITNESS. Yes.

By Mr. GARBER:

Q. So he got crowded out eventually?—A. Yes.

Q. So if this woman obtained that account for Robinson, her drag with Briggs was not as strong as Renda's drag in there?—A. Apparently not.

Q. Because Renda got it?—A. Yes. I might add one more thing. I think 90 days after Renda had the account, I think for the next 90 days, the next quarter he had lost the ferrous metals to Continental Metal. They outbid him, if my memory serves me correct. I think for a 90-day period he lost the entire metal account, but held the scrap iron and waste paper and rag account.

Q. But he regained that nonferrous metals?—A. Yes, after another 90 days.

Q. Is that your recollection?—A. Yes. This is the company right here, Reliance Metal Company, 3040 Book Tower Building.

Q. The Reliance Metal Company, located at 3040 Book Tower Building, and here is a letter dated March 25, 1945, directed to that company by the Briggs Manufacturing Company, by Salvage Department, requesting bids, and the letter is directed to the attention of Miss M. O'Keefe?—A. Yes.

Q. You think that might be the woman?—A. Yes, I met her brother. I could recognize her brother. He is a blonde fellow, and if I remember correctly, the last time I saw Al Robinson was about 90 days ago, and he told me the woman was still working for him, and is one of the best salesmen he has got.

Q. And she has probably got some social connection?—A. Yes.

Q. Her brother moves around in club circles?—A. Yes.

Q. And he is now with Reliance?—A. I don't know if he is, right at this moment, but he introduced me to him about seven or eight months ago. He had just got out of the air force.

Q. You don't know what is name is, either?—A. No, sir; we had lunch together at the Wonder Bar, this brother and myself and Mr. Robinson.

Q. He is no relation to Robinson, president of Briggs, is he?—A. No.

The COURT. Do you know anybody over at the Wonder Bar?

The WITNESS. I beg your pardon?

The COURT. Do you know anybody over at the Wonder Bar?

The WITNESS. I know Mr. Sofran by sight?

The COURT. Do you know Mr. Buckheimer?

The WITNESS. No, sir. I met him. One more thing about Mr. Robinson, if it is important. Mr. Robinson, when he was in partnership with Joe Feldman, they formerly had the place where Carl Renda is at now, and that place was empty until about two years, for about two years after they dissolved their partnership.

By Mr. GARBER:

Q. The scrap business is a highly competitive business, to say the least?—A. Yes; very much so.

Q. Do you have an association of certain well-established people, who keep it that way?—A. That only holds true as far as scrap iron is concerned, and metals.

Q. Well, scrap iron, at least.—A. Yes.

Q. They are not interested in any new companies coming into being?—A. That's right.

Q. And yet this fellow Renda, in spite of that?—A. Yes.

Q. Walked in and makes you fellows who had this association for the particular purpose of keeping other companies out, more or less pay tribute to the Renda Company.—A. To Mr. Louis Freedman from Woodmere, that is what he is doing, yes.

Q. Well, now, you have been pretty decent with us, and I think the Judge will agree with me that you have tried to help us this afternoon more than you have any time yet, but haven't you in the back of your head, either with direct knowledge or some grounds for it—A. Yes.

Q. Know why Renda was able to move in, in the first place, on all of this stuff, in spite of the opposition association to keep people out of the scrap-iron business, walk in there, and really just flaunt the business in your face, and everything else, and make a success of it. What is his power?—A. Well, I don't know.

The COURT. You have a brother-in-law working at Briggs?

The WITNESS. Yes.

The COURT. What is his name?

The WITNESS. Sam Rosenthal.

The COURT. What department is he in?

The WITNESS. Electrical maintenance.

The COURT. How old a man is he?

The WITNESS. 37 or 38. He has been working there some time.

The COURT. Briefly, what is the story on him, right there?

The WITNESS. He has been working seven or eight years for the Briggs and he belongs to the union and I believe he has been a steward in the union, and he is quite active in union matters, but this is what I want to tell you, Judge. Maybe you don't want to have it on the record.

The COURT. All right, off the record.

(Discussion off the record.)

(Witness excused.)

# STATE OF MICHIGAN

## IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, December 9th, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:20 p. m.

STANLEY W. COCHRANE, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. Stanley Worth Cochrane.

Q. Where do you live, Mr. Cochrane?—A. 1042 Audubon Road.

Q. You are employed by the Briggs Manufacturing Company?—A. Correct.

Q. What is your official title out there?—A. Director of Purchases.

Q. How long have you held that job?—A. Since June.

Q. And your predecessor is Mr. William J. Cleary?—A. That's right.

Q. And were you associated with him before his death?—A. Oh, sure. I knew him as working there with him; that's all.

Q. What was your position before Mr. Cleary's death?—A. Well, I was in the sales department.

Q. How long have you been with the Briggs Manufacturing plant altogether?—A. Briggs Manufacturing Company, twenty years.

Q. What did you start as? What was your first position there?—A. I started as, oh, Time Study man. Cost, stuff like that.

Q. I see, and you continued on up then, up to the sales end of the Briggs?—A. That's right.

Q. And now you are the head man of the Purchasing Department?—A. Correct.

Q. Now, where were you born, Mr. Cochrane?—A. Columbus, Indiana.

The COURT. You are a Hoosier, right?

The WITNESS. That's right.

By Mr. GARBER:

Q. When were you born?—A. March 12, 1895.

Q. How long have you lived in Detroit?—A. Oh, I came here in about 1914 or '15, I guess.

Q. And then what were you employed at when you first came to Detroit here?—A. I worked at Chalmers Motor Company.

Q. How many years did you work for them?—A. Oh, I don't know, just a short time. Then I worked with Maxwell Motor Company.

Q. Where were you educated?—A. In Madison, Indiana.

Q. How far did you go in school?—A. Two years college, Hanover.

Q. Two years at Hanover?—A. Yes.

Q. Now, you are acquainted with the contract that is now in existence between the Carl Renda Company and Briggs Manufacturing Company?—A. That's right. It is in the files.

Q. When did you first become acquainted with that?—A. Oh, I don't know.

Q. Well, how long after you took over Mr. Cleary's position, or did you know about it previously?—A. No; I didn't. I didn't know anything about that till a couple of months after.

Q. How did it happen to come to your attention then?—A. I don't recall exactly.

Q. Well, to refresh your memory, did Mr. Renda at that time think he was entitled to some 350 tons of material there that was covered by contract and you didn't know whether it was or not?—A. I don't know whether that was the instance or not, or what instance it was.

Q. Well, anyway, did you call in your attorney or company attorney to check this contract?—A. No; I don't think so.

Q. Was it ever passed on by your company attorney?—A. I assume so, when the contract was drawn; I don't know.

Q. Well, did you ever have it checked by the attorney?—A. No.

Q. Did you ever call your attorney in on this contract?—A. No.

The COURT. Who was the attorney up there at the plant?

The WITNESS. Our company man there is a fellow by the name of Stone.

The COURT. What's his first name?

The WITNESS. Floyd.

The COURT. How old a man is he?

The WITNESS. Oh, I don't know, 45, I guess. I don't know.

The COURT. Does he practice law, or is he just attached to the plant?

The WITNESS. Whether he does any actual outside practice, I don't know.

The COURT. Has he a special office?

The WITNESS. Yes.

The COURT. He has been there some years?

The WITNESS. Yes.

The COURT. Floyd Stone?

The WITNESS. Yes.

The COURT. Who is your company attorney, local attorney?

The WITNESS. I believe it's Beaumont, Smith and Harris.

The COURT. Who does the work for them?

The WITNESS. I beg your pardon?

The COURT. Who does the work for them, Al Meder?

The WITNESS. Oh, I don't know. I don't have any connection with them.

The COURT. I take it you have New York lawyers, too. Who is your firm down in New York?

The WITNESS. I wouldn't know.

The COURT. Beaumont, Smith and Harris is your local counsel?

The WITNESS. As far as I know, you would have to check with Mr. Blackwood on that, but I have heard their name around there, Beaumont, Smith and Harris.

The COURT. Judge Connolly used to do some work at one time?

The WITNESS. I believe he did.

The COURT. After his death his firm didn't take it?

The WITNESS. I don't know.

The COURT. Did Beaumont, Smith and Harris go in there on Workmen's Compensation, and then as general counsel?

The WITNESS. I don't know what the extent of their activities is.

By Mr. GARBER:

Q. Well, to go back to this contract, did you examine the contract then some two months after Mr. Cleary's death?—A. No; I never examined it.

Q. Did you ever see it?—A. Sure.

Q. When did you first see it?—A. I don't know.

Q. Well, did you see it before you took Mr. Cleary's job?—A. No; that would be impossible. It would be his records. I wouldn't go in and look at his records.

Q. How long after you took his job did you see it, what month?—A. I don't know—a couple of months.

The COURT. How close were you to Cleary before his death?

The WITNESS. Not at all.

The COURT. He was purchasing agent?

The WITNESS. Director of Purchases.

The COURT. Before he died, what was your job?

The WITNESS. I was in the sales department.

The COURT. Selling the fabricated products?

The WITNESS. That's right.

The COURT. You came into the Purchasing Department as a stranger?

The WITNESS. Correct. I didn't know any more about it—

The COURT. How did they happen to pick on you for that job?

The WITNESS. I don't know, I am sure.

The COURT. You were in the sales department. What was your job there?

The WITNESS. Well, I was sales manager of the Turret Division, and I spent nine years in England under the sales manager of the English subsidiary, Briggs Motor Bodies, Limited.

The COURT. What?

The WITNESS. Briggs Motor Bodies, Limited, was the name of the English subsidiary.

The COURT. You spent nine years in London?

The WITNESS. Yes, sir.

The COURT. When? Nine continuous years?

The WITNESS. 1931 to 1940.

The COURT. Just before the war?

The WITNESS. We had eight months of war. War was declared December 1939.

The COURT. You got out in the early days of the war?

The WITNESS. Before the Blitz. I got out at an opportune time.

The COURT. You must have met a friend of mine, Joe Kennedy?

The WITNESS. Joseph Kennedy?

The COURT. The Ambassador?

The WITNESS. Sure. He was the one helped us to get out of there.

The COURT. He got out himself and Winant went there.

The WITNESS. Yes.

The COURT. Is he still there, yet?

The WITNESS. I believe he is.

By Mr. GARDER:

Q. When did Mr. Cleary die and leave his job over there?—A. Oh, I don't know the exact date.

Q. Well, when did you go to work there?—A. Early June.

Q. So it would be sometime in September or August that you first saw this contract?—A. I imagine so. I am just guessing, surmising. I don't know the exact date.

Q. How did you happen—how did this contract happen to come to your attention?—A. I don't recall now—going through the files for some purpose or other.

Q. Did you ever examine it?—A. I looked at it, saw when it was signed.

Q. When was it signed?—A. I don't know.

Q. Is it dated?—A. I couldn't tell you.

Q. Who signed it?—A. I think Mr. Cleary signed it, if I remember correctly.

Q. Have there been any changes made in the terms of this contract since you have taken over?—A. Not that I know of.

Q. Did you ever see this order here, which is Grand Jury Exhibit 2?—A. No; I never saw that.

Q. Well, is that still good, that order?—A. As far as I know.

Q. In other words, you are still selling at those prices as set up under date of April 23, 1946?—A. Yes.

Q. You have never countermanded that order or changed it in any way?—A. No.

Q. Have you ever checked to see whether this contract was a good contract or poor contract for the Briggs?—A. No.

Q. Do you know whether or not they're losing money under that contract?—A. I couldn't say.

Q. Do you know what the reason for this contract is?—A. Well, to dispose of the material, I suppose.

Q. What else?—A. Pardon?

Q. What else?—A. Nothing that I know of.

Q. Did you ever investigate to see who Carl Renda and Company was?—A. No.

Q. Do you know who they are?—A. I know they are scrap merchants or dealers, that's all.

Q. Do you know how old Carl Renda is?—A. I have no idea.

Q. Do you know how long he has been in the scrap business?—A. No.

Q. Do you know what experience he had previous to the time he received this contract?—A. No, sir.

Q. Do you know where his office was?—A. No.

Q. Do you know where his office is now?—A. He has an office, Bellevue, something like that. I don't know where it is.

Q. Do you know how many trucks he has?—A. No; I don't.

Q. Do you know if he operates any of his own trucks?—A. I believe he does.

Q. Does he operate them personally or someone else operates them for him?—A. As far as I know, he operates them himself.

Q. Do you know who really takes the stuff out of there?—A. Yes; I think it's some company he has connections with, whether it's Continental Metals or one of those firms he has a working agreement with, I understand.

Q. Do you know what that working agreement is?—A. I have no idea.

Q. And what his profit is a ton on that, simply by holding this contract?—A. I have no idea.

Q. Did you ever investigate it at all?—A. No.

Q. Did you ever receive word to leave that contract alone?—A. No.

Q. Did any of your higher ups talk to you about that, what I mean, the men above you in Briggs, did you ever have any conversation with them relative to this contract?—A. The only conversation I ever had was that this contract was in existence, that's all.

Q. Who told you it was in existence?—A. Blackwood, I guess.

Q. Did you ever talk to Blackwood about this contract?—A. No.

Q. Did you know who Carl Renda is?—A. I know him when I see him.

Q. How old is he?—A. I told you I didn't know.

Q. Do you know how he got this contract?—A. I have no idea.

Q. Do you know whether or not you are advertising for any bids, or are you just standing pat on this contract as it is?—A. We don't advertise for bids. We solicit bids on certain steel blanks and stuff.

Q. That's not covered by this contract?—A. That's right.

Q. Did you ever raise the price of steel or this scrap, after the OPA went off?—A. Well, they are going to, I understand.

Q. Have you?—A. Increased the prices so much per ton.

Q. Have you yet?—A. Not yet. It will be effective though, the time the OPA went off.

Q. When did the OPA go off?—A. I think it was November 9 or November 11, something like that.

Q. November 11th, is when it went off, but so far Renda is paying the same prices he has been paying up to now, is that right?—A. He said that there were going to be some changes on some of the metals that come under OPA and which were increased.

Q. He told you he was going to raise it, or did you demand it be raised?—A. Well, we didn't demand anything. We expect to get it when this thing settles down, and the prices are established on scrap, and so forth, that we can operate on the same increase that was allowed after the OPA went off.

Q. Do you know how much that increase was?—A. Some of it was \$5 a ton.

Q. Do you know whether Renda has raised his price or not?—A. I believe he is or contemplates doing so, effective after the OPA went off.

Q. You believe he has, but you haven't raised it?—A. Not yet.

Q. Well, why are you just letting it ride like that, when you know the price has gone up? Why hasn't this contract gone up and been changed?—A. Why hasn't it?

Q. Yes.—A. Well, I don't know.

Q. Well, it is your responsibility, isn't it, Mr. Cochrane?—A. Well, we have got to get some prices in and get the authority to change it.

Q. Authority from whom?—A. Get him to accept the increases, whatever we are going to charge, and get an established price on the various materials.

Q. Well, has Mr. Renda got to dictate to you how much you are going to raise this?—A. Why should he? We are selling it.

Q. Why do you have to talk to Mr. Renda about it?—A. Well, you just can't arbitrarily come out and say, "You're paying \$5," you've got to have an agreement.

Q. He didn't?—A. We don't do business that way.

Q. I am not trying to be arbitrary. I am trying to find out how you do business, that's the purpose of your being here. I can't figure out how you do business. That's why you are here. I understand you went over certain accounts today as to the amount of salvage that has been disposed of to Mr. Renda or the Carl Renda Company under the terms of this contract. Are you able to give me some facts on it?—A. No. I talked to this gentleman here, and

that will have to be obtained, I would say, through our Accounting or Internal Audit Department, as I told you.

Q. How long will it take to have that prepared?—A. Well, that's sort of a big task to go through every shipment that was made from the time they started to dispose of this material to the Renda Company, and compute and compile all the necessary shippers and obtain tonnage from them.

Q. There's only about three, isn't there?—A. Three what?

Q. Three people that have handled this, Woodmere, Continental and Monroe Waste Paper—three or four.—A. I don't know.

Q. How much is this contract worth to anyone who has it?—A. I haven't the slightest idea.

Q. In dollars and cents, how much salvage does the Briggs dispose of to the Renda Company?—A. I have no idea. It would have to be computed.

Q. And you have never investigated it at all?—A. No.

Q. And it is part of your duties, though, at the Briggs, is that correct?—A. Well, that's so they say. I didn't know anything about it at the time I started in on the job.

Q. Have you ever talked to anyone about how Renda got this contract?—A. No.

Q. Do you know how he got it?—A. No.

Q. Do you know what entree he had in order to step in and take over this business?—A. I have no idea.

Q. Would you have any ideas of your own on it?—A. No.

Q. Did you hear any rumors?—A. No, you don't hear any rumors. I haven't heard any anyway.

Q. What do you know about the beatings that took place at the Briggs?—A. What beatings?

Q. You never heard about the beatings?—A. I heard—

Q. Did you ever hear about the beatings of Art Vega and his brother?—A. No.

Q. Did you ever read about it in the paper?—A. I read about some of the 212, local 212 being beaten up.

Q. How many of them did you hear about?—A. Oh, I don't know, three or four.

Q. Would it be five or six.—A. I couldn't say.

Q. Is there any connection between those beatings and this contract?—A. I wouldn't think so.

Q. Well, did you ever hear any rumors to that effect?—A. No.

Q. Did you ever make any inquiry?—A. No.

Q. You simply accepted this contract that Mr. Cleary, your predecessor had in his files. After you stepped into his place, you made no changes in any orders to the Salvage Department relative to this matter, and the contract is in vogue at the present time?—A. That's right.

The COURT. Did anybody tell you, when you came down here, not to divulge anything to the Grand Jury?

The WITNESS. No, sir.

By MR. GABER:

Q. Did you talk to Dean Robinson about it?—A. Yes, sir.

Q. When did you talk to him about it?—A. I believe Mr. Robinson was down here, and he had myself and Renda in the office, in his office, and said that certain allegations had been made, but as far as he was concerned, when Renda came in there, he was brought in on a purely business basis, and that's the way he understood it was operating, and that's the way it is operating.

Q. Did you talk to Mr. Reichman about it?

The COURT. What did you get out of that? After what you said here now, after this president, Dean Robinson, talked to you, what did you get out of it?

The WITNESS. Well, I didn't think—

The COURT. Now, here, Mr. Cochrane, we are after facts. We are not just on conversation and drawing conclusions. This is a serious business.

The WITNESS. I assume so.

The COURT. If you are in there as a sales director, I take it you are in there probably on merit?

The WITNESS. That's right.

The COURT. And they're not paying you for not knowing anything. They're paying you because they promoted you to the job, I suppose?

The WITNESS. That's right.

The COURT. And I presume that you are functioning there as purchasing director of a big corporation. Now, you know this Renda. Did you ever hear of Albion College?



The WITNESS. Albion?

The COURT. Yes.

The WITNESS. I heard of it; yes.

Mr. GARBER. You heard something good about it, too, didn't you?

The COURT. Well, he's a graduate of that college. Do you know when he got this contract he hadn't put in ten minutes in the scrap-iron business?

The WITNESS. I didn't know.

The COURT. Do you know that he had no place of business? Did you know that?

The WITNESS. No, sir; I did not.

Mr. GARBER. Didn't have a telephone?

The COURT. When he first started to operate, he operated from an upper flat. Did you know he had no equipment?

The WITNESS. No; I didn't know that.

The COURT. That he had no telephone, did you know that?

The WITNESS. No, sir.

The COURT. Do you know that the Continental Metals and the Woodmere Company had that scrap contract for years?

The WITNESS. I wouldn't know those things.

The COURT. You didn't know?

The WITNESS. No, sir.

The COURT. Do you know they have got it today; that they really take the merchandise, the scrap, today, out of the plant, do you know that?

The WITNESS. I believe they do.

The COURT. But they have no direct contract with Briggs, did you know that?

The WITNESS. That's right.

The COURT. Did you know George Herbert?

The WITNESS. Yes; I knew George Herbert.

The COURT. He was an estimable man, wasn't he?

The WITNESS. Yes.

The COURT. Well, Mr. Renda was born November 12, 1917. He was born just a year ahead of Armistice Day, shy one day, born in November 1917. His occupation is iron and scrap metal dealer. He's 28 years old and weighs 175 pounds. Now, you were with the Briggs for a good many years, weren't you?

The WITNESS. Twenty years.

The COURT. And I am not asking or inquiring, but you get a fair salary, don't you?

The WITNESS. That's right.

The COURT. But they are not giving you anything?

The WITNESS. No; that's true.

The COURT. You were born in 1895, you are 51?

The WITNESS. Correct.

The COURT. Do you know what the gross on this contract is a year?

The WITNESS. I haven' any idea at all.

The COURT. Would you say it runs between a million and a million and a half dollars?

The WITNESS. Well, I don't know. I wouldn't think it would run that much myself, just by surmise. I don't know.

The COURT. Do you know whether the Briggs Company could sell this merchandise regardless of OPA at a higher price than they are getting now?

The WITNESS. Would you repeat that question.

The COURT. Read it.

(Question read.)

The WITNESS. I don't know. I suppose they could some items, I don't know. That would have to be investigated.

By Mr. GARBER:

Q. Would it be \$20 a ton higher?—A. What do you mean?

Q. Some of these items you are selling to Renda that you could get \$20 a ton more for?—A. I wouldn't think so.

Q. Well, if he was selling it for \$20 a ton, would that indicate Briggs could get it?—A. \$20 more?

Q. \$20 more a ton then he is paying you.—A. Maybe they could. Maybe they couldn't. I don't know.

The COURT. Well, you don't know much about this contract, do you?

The WITNESS. I inherited this thing, and I know very little about it. I am sorry I can't be of more assistance.

The COURT. Who would know about it?

The WITNESS. Well, I don't know. I should think—unless it would be Mr. Robinson or Mr. Blackwood.

The COURT. Well, you have been two years in college, and sometimes when you are in business you try to arrive at a point by process of elimination, don't you?

The WITNESS. True.

The COURT. Try to corral the facts. Now, I recited some things about this contract. As I understand you, from Mr. Garber, you say you see nothing in the execution and carrying out of this contract to your mind associated at all with these beatings over here in the Briggs plant?

The WITNESS. No, sir.

The COURT. None at all?

The WITNESS. As a matter of fact—

The COURT. Those beatings and that type of contract don't ring a bell in your mind. Do you know Renda if you see him?

The WITNESS. Yes; I have seen him several times.

The COURT. Did you see anybody in there with him?

The WITNESS. I never have, no.

The COURT. Have you been in his place of business?

The WITNESS. No, sir.

The COURT. Do you see his car draw up to the plant?

The WITNESS. No; I didn't.

The COURT. You never saw anybody in the car?

The WITNESS. No.

By Mr. GARBER:

Q. You have been in Detroit since 1915?—A. I spent nine years in England.

Q. Does the name Renda mean anything to you?—A. Not a thing.

Q. Do you ever remember when two fellows were killed in the county Jail, two Italian fellows?—A. No.

Q. Did you ever hear of James Renda?—A. No.

Q. Bill Renda?—A. No.

Q. Did you ever hear of Sam Perrone?—A. No.

Q. Did you ever hear of his brothers?—A. No.

Q. Did you ever hear anybody express who Renda was, where he came from, anything about him at all?—A. No.

Q. Do you know John Fry?—A. Fry? No.

Q. Of Detroit, Michigan, Stove Works?—A. No; I don't know him.

Q. You never met him?—A. No, sir.

Q. You never talked labor problems over with him?—A. No.

The COURT. What clubs do you belong to here?

The WITNESS. The only club I belong to is Lochmoor Golf Club.

The COURT. You don't belong to the D. A. C. or Yondotega?

The WITNESS. No.

By Mr. GARBER:

Q. Did you ever see any of these fellows come in with Carl Renda, see them around the plant?—A. No.

Q. Did you ever see this guy around the plant with him?—A. No.

Q. Or this fellow?—A. See, I am in the office all the time.

Q. I know, but did any of them ever come into your office?—A. No, sir.

Q. This contract was entered in Mr. Cleary's office. That is your office?—A. That's right, but I wasn't there.

Q. None of them have come in with Mr. Renda?—A. No, sir.

The COURT. When anybody would come into your office, did you ever have them searched to see if they had a gun on them?

The WITNESS. Oh, no.

By Mr. GARBER:

Q. Did you ever see a gun on Renda when he came into your office?—A. No.

The COURT. Well, you wouldn't know as much about this contract, then, as we do.

The WITNESS. No. All I had was the thing in the files.

The COURT. Would you be surprised it is costing the Briggs Company about \$14,000 a month to carry this contract?

The WITNESS. It would certainly astound me if it is.

The COURT. Do you know the practice before the execution of this contract was to submit this scrap material to the highest bidder?

The WITNESS. I don't know.

The COURT. Well, that would be your business, wouldn't it, if you were doing it? If you were sales director, you would want to get the highest dollar?

The WITNESS. Sure, absolutely.

The COURT. Now, if you had merchandise that would carry about \$14,000 more in the open market on bids, \$14,000 a month on bids, and you had a contract where your company was losing \$14,000, it would look kind of funny to you, wouldn't it?

The WITNESS. I would want to get it straightened out.

By Mr. GARBER:

Q. Did you know about the government coming in there, the FBI, and making their independent audit?—A. No.

Q. Do you know the Briggs paid the government some \$1,900 where they lost on some intermingled scrap of the government and Briggs, where they had not sold it to the highest bidder, and it went to Renda?—A. I don't know that; no.

Q. You have been on that job now since the early part of June?—A. That's right.

Q. This is the early part of December.—A. That's right.

The COURT. What did you ever hear about the execution of the contract in reference to Cleary?

The WITNESS. I didn't hear anything about it.

The COURT. Cleary's name was on the contract?

The WITNESS. That's right.

The COURT. Was he forced to put it on there?

The WITNESS. I wouldn't think so.

The COURT. Did he do that voluntarily or did he get the high sign to go?

The WITNESS. I think Bill Cleary, all the dealings I ever knew about him and his reputation—

The COURT. Was above reproach?

The WITNESS. Above any reproach. I never heard anything to the contrary in any respect.

The COURT. That would be equally true with George Herbert?

The WITNESS. I couldn't say. I wouldn't know the man. See, I lost nine years out of the life of the company. When I came back, they went into this airplane gun turret thing. They put me on that. I was more or less by myself practically all the time, so I didn't come in contact with the people very much.

The COURT. You have been back now since 1940?

The WITNESS. 1940.

The COURT. A lot of things have happened since 1940.

The WITNESS. You bet your life.

By Mr. GARBER:

Q. But you are charged with that responsibility now, aren't you?—A. That's right.

Q. You haven't done anything?—A. That's right.

Q. It has never been brought to your attention by anyone. When you did talk to Dean Robinson, he said everything is all right?—A. No.

Q. What did he say?—A. Well, I told you he said, as far as he was concerned, when Renda came in there, it was purely a business basis.

Q. But he didn't think enough of our investigation to have you check it to see whether we were right or he was right. Have you had any request to check this contract and see if it is all right?—A. No.

Q. Mr. Robinson didn't seem surprised about the whole deal?—A. No.

Q. He just told you and Renda it was right?—A. He didn't say anything about whether it was all right or all wrong.

Q. But let it stand?—A. He said the thing was purely a business proposition, no strings tied to it, and when Renda was brought in there, that was the basis it was operated on.

Q. Then he must have known, or you could naturally assume he knew when Renda was brought in there?—A. Well, I don't know.

Q. From what he said, wouldn't that be a fair assumption?—A. I assume he did. I don't know.

Q. That he came in with his knowledge and consent?—A. Evidently, he said when Mr. Cleary brought Mr. Renda into his office.

Q. Mr. Robinson told you that?—A. Yes.

Q. That Mr. Cleary brought Mr. Renda into Mr. Dean Robinson's office?—A. Yes.

Q. And this contract was discussed?—A. I don't know whether the contract was discussed. He didn't say anything about any contract at all.

Q. But he said it was purely a business deal?—A. Yes, sir.

Q. So you would naturally assume from that it was discussed between Mr. Cleary and Mr. Renda and himself?—A. I wouldn't assume anything.

Q. What would you assume, when he came in it was purely a business deal—Mr. Cleary brought Mr. Renda in there?—A. I assumed that was after you people talked to him he made that statement.

Q. All right, but Mr. Cleary has been dead since June?—A. That's right.

Q. So at the time the contract was entered into, he, Dean Robinson and Mr. Cleary and Mr. Renda passed on it, or agreed on it, according to the conversation you had with him?—A. He didn't say anything about any contract.

The COURT. As I understand, you inherited this contract?

The WITNESS. Inherited the job.

The COURT. Inherited the job and this particular contract, too. It fell within your sphere.

The WITNESS. And a lot of headaches.

The COURT. And this particular one. Now, you have done nothing, as I understand your testimony, to investigate this contract.

The WITNESS. No.

The COURT. You just carried on, just in accordance with the terms of this contract?

The WITNESS. That's right.

The COURT. You have never submitted this scrap to open bidding?

The WITNESS. No.

The COURT. You have just been told this contract is good and to carry it on?

The WITNESS. Nobody told me. It was there.

The COURT. Did you ever read it?

The WITNESS. I looked through it. I never examined it thoroughly.

By Mr. GARBER:

Q. But since Mr. Robinson has been down, you have been in to talk to Mr. Robinson about it?—A. Mr. Robinson talked to me about it.

Q. All right, and Mr. Robinson at that time said this was a good deal and was all right?—A. He didn't say anything about it being a good deal or bad deal.

Q. What did he say?—A. I told you.

Q. Tell us again.

The COURT. Did he call you up to his office? How did you contact him?

The WITNESS. He put in a call to me.

The COURT. And you went up to see him?

The WITNESS. I went over to see him. Our offices are at the Outer Drive plant.

The COURT. You went over to Robinson's office?

The WITNESS. Yes.

The COURT. When you went over there, what did he say? How did he open up the conversation?

The WITNESS. He said that—I forget how the conversation was started or anything, but that the dealings we have had with Renda had been criticized and that he couldn't understand what the meanings of them were. I don't recall his conversation at all, but—

By Mr. GARBER:

Q. Well, give us your best judgment of what was said.—A. And that as far as he was concerned, that when Renda was brought into the company on this deal or contract, or whatever you want to call it, it was purely a straight-forward business arrangement.

The COURT. In other words, you would say here that that contract, before it was entered into, was discussed by Robinson, and he knew exactly what he was doing when he entered into the contract, and he put his stamp of approval on it?

The WITNESS. I don't know about that.

The COURT. In other words, it is not Herbert's contract.

The WITNESS. I wouldn't subscribe to that, because I don't know, Judge.

By Mr. GARBER:

Q. When did he tell you Mr. Cleary came in with this deal?—A. He didn't say.

Q. Well, did he say Mr. Cleary had been in there with Renda?—Yes.

Q. And when was that?—A. I have no idea.

Q. You have no idea?—A. No.

Q. Well, then, he did tell you that Cleary, himself and Renda had been there and passed on this deal; is that right?—A. He didn't say they passed on it.

Q. Well, the contract was entered into.—A. I assume he left it up to Mr. Cleary with Renda to make the necessary contract.

Q. But Mr. Robinson knew about it?—A. He evidently knew there was a contract made, but whether he ever saw the contract or put his seal of approval on it, that's something I couldn't say anything about.

Q. How many contracts have you entered into as director of purchases to bind the Briggs on matters of this kind since you have been there?—A. Oh, two or three.

Q. Do you usually use the seal of the corporation?—A. Very seldom.

Q. Is it ever used in your department?—A. I believe once since I have been there, that the company requested the corporate seal be affixed.

Q. Then it is affixed?—A. Yes, sir.

Q. What lawyers pass on the contract?—A. Our company lawyer.

Q. Your company lawyer, and that's Mr. Stone?—A. Correct.

Q. And do you enter into any contract which binds the Briggs plant to a considerable amount of money without having it okeyed by the company attorney?—A. No. We issue purchase orders every day that are similar to contracts that bind the company every day.

Q. Do you know who this contract was drafted by?—A. I have no idea.

Q. Did you ever talk it over with Mr. Blackwood?—A. No.

The COURT. Is Blackwood in town now?

The WITNESS. Yes, he's back.

By Mr. GARBNER:

Q. He's been to England?—A. Yes; he just got back from England last week.

Q. Do you dictate these contracts or sales agreements to bind the Briggs plant?—A. We generally take one that's been in existence and change the dates or phraseology to suit the occasion.

Q. I show you Grand Jury exhibit one, and ask you if you can interpret that final paragraph.—A. "The Carl Renda Company agrees that the above-mentioned agreement will continue in effect as long as the business relationship exists between Carl Renda Company and the Briggs Manufacturing Company."

Q. What does that mean?—A. Well, I suppose until the time that either party elects to dissolve it.

Q. Is there anything in there that says it may be dissolved.—A. I don't know.

Q. Are there any terms of cancellation of any kind that you ever saw?—A. I would have to read it through to ascertain.

Q. Is it dated? Do you know when it was executed?—A. No, sir.

Q. Do you know who witnessed it?—A. No.

Q. And you don't know who drafted it or who passed on it at all?—A. No, sir; I do not.

Q. Do you know whether Mr. Burt was sent for by Mr. Robinson and this contract discussed, your secretary?—A. No.

Q. Did you ever discuss it with Mr. Burt?—A. No.

Q. Did you ever discuss it with Mrs. McQuillan?—A. No.

Q. How many times has Renda been in to see you?—A. I don't know. Two or three times—not over that.

Q. What were the occasions he came in to see you about?—A. One occasion was, I believe, he wanted to quote on some other material or something.

Q. Not covered by his contract?—A. That's right.

Q. Do you know whether or not this other material was sold to him?—A. No, it wasn't.

Q. You never talked to Mr. Blackwood about it?—A. No, sir.

Q. Mr. Blackwood is superior to you in authority; is that right?—A. That's right.

Q. And Mr. Dean Robinson?—A. Correct.

Q. Who else?—A. Well, Mr. Lunberg, and the vice presidents, Mr. Hoffman, are superior.

Q. Did you ever talk this contract over with them?—A. No, sir.

The COURT. Who has charge of keeping the records of the amount of tonnage that goes out under that contract?

The WITNESS. I explained that. I don't think the company keeps a record. I don't think there would be any necessity for it.

The COURT. Since you have been there?

The WITNESS. No one, because they take out a load of scrap, and it will weigh so much, and it is priced and an invoice is rendered, and that's the end of the transaction.

The COURT. When the checks are paid by Renda, who does he pay it to?

The WITNESS. He will pay it to our accounts receivable.

The COURT. Does that go through your office?

The WITNESS. No, I have nothing to do with that.

The COURT. It goes through—

The WITNESS. The regular accounting department.

By Mr. GARBER:

Q. Well, how, then, could the Government make an inventory of what they lost? If you can't tell on yours, how could the Government come in and make an inventory and file a claim against you for \$1,900 for their tonnage, if you couldn't tell what tonnage went out?—A. I didn't say we couldn't tell. I think it can be found out. I will reiterate myself, and say it can be ascertained.

Q. Will you take it upon yourself to see it is ascertained, and we have a copy of it.—A. I will do that.

Q. If not, we will have to bring your records down here and have someone else do it.—A. Well, it may need some of those records to do it. I don't know what all it would take to establish it.

Q. Will you see we get it?—A. We can get it for you.

Q. We would like the amount sold and the amount you received in cash?—A. You want the tonnage—let me understand thoroughly what you want. You want the tonnage, the tonnage of the various categories of materials.

Q. Under this contract?—A. Under that contract and when they were sold. Do you want the dates?

Q. Well, we know he didn't buy any till about the first of April 1945.—A. Do you want the totals by months or weeks?

Q. We would rather have it by months. The tonnage per month, which will start about April 1945, and the amounts paid or received, rather, by the Briggs Manufacturing for the items sold.—A. May I have a piece of paper so I can put this down? You want the materials covered by the contract to the Renda Company in all their various categories.

Q. That's right.—A. By months.

Q. Yes.—A. Anything else?

Q. And the amounts received.—A. Monetary value.

Q. Yes; that you received under the contract.—A. Anything else?

Q. No. I think that's the main items I want. I want the materials covered by the contract and the amounts by months.—A. And the monetary value.

Q. That's right.

The COURT. Tonnage and monetary value beginning April 1945.

Mr. GARBER. That's when he started, and in the event you need any of these records we already have, you can get them.

By Mr. GARBER:

Q. Now, do you know what day it was that Mr. Robinson called Renda in there?—A. No; I don't know, I don't remember.

Q. I mean, since he's been down here. Weren't you in there?—A. Yes. I don't remember what day it was.

Q. Approximately?—A. A week ago.

Q. Who else was present?—A. No one.

Q. Just you, Renda, and Mr. Robinson?—A. That's right.

Q. What was the conversation at that time? What did he tell Mr. Renda?—A. I have only reiterated it twice now. If you read the record, you will see exactly what I said.

Q. All right. What did he say? Tell me again.—A. What was your question?

Q. Just what was that conversation again, when you were there and Mr. Renda was there and Mr. Robinson?—A. Well, that they had been criticized for the handling of this procedure, or whatever you want to call it—

The COURT. Contract.

The WITNESS. Contract; and it was very brief, and all Mr. Robinson said when Mr. Renda was called in there, or brought in there by Mr. Cleary, that as far as he was concerned and it still stood, this was nothing but a pure, straightforward business transaction.

By Mr. GARBER:

Q. I see, all right. And you have received no orders in any way to change this matter in any way, from anyone?—A. No.

Q. I see. And nothing has been done to change it, by anyone?—A. There will be some changes, as I told you.

Q. In other words, they are contemplating a raise because of the lifting of the OPA.—A. On various categories of scrap.

The COURT. You don't see anything, as I understand you, that is out of line with this contract, at all?

The WITNESS. No.

The COURT. You don't think it seems strange that a company like the Briggs would give a contract to an inexperienced man without equipment, and give him the right to deal with former buyers, and discontinue a long policy where they sold the merchandise to the highest bidder?

The WITNESS. My idea on it is to get away from the Jewish combine.

Mr. GARBER. You still have it.

The COURT. It is still there.

The WITNESS. That I don't know anything about.

The COURT. You don't associate with this contract any mobsters, do you?

The WITNESS. No, sir.

The COURT. Do you know how many hours have been lost from strikes the last year?

The WITNESS. I have no idea.

By Mr. GARBER:

Q. Do you know how many these lost in 1945?—A. No, I wouldn't have any cause to have those records.

The COURT. It doesn't strike any note in your mind?

The WITNESS. No, sir; it does not.

By Mr. GARBER:

Q. Is it your contention—now, none of us here are Jewish. You can speak freely—is it your contention Italians with long prison records are preferable to Jews?—A. You have got me. I don't know. I wouldn't want to make a statement on that one.

Q. Do you think that would be an improvement?—A. Well, I have my own ideas.

The COURT. You understand, don't you, that old aphorism, that a trout that keeps his mouth shut will never get hooked by a fisherman?

The WITNESS. That's right.

The COURT. Is that your idea, to come down here and tell this Grand Jury what you know about this contract?

The WITNESS. Absolutely not. I am sorry I can't be of more assistance to you.

The COURT. I will advise you it is a serious matter.

The WITNESS. I appreciate that.

The COURT. Very, very serious. They can take any position they want. We are going to have some difficulty probably, getting the truth, but we have gone down the road quite a ways.

Mr. GARBER. When Mr. Robinson comes back, he is going to have to do some explaining from the last time.

The COURT. As far as we are concerned, Mr. Robinson can take this right on his own shoulders, but somebody is going to take it. This little mantle is going to fall on somebody's shoulders. It may fall on some of the big boys, and there may be a nice little group in there when it falls.

By Mr. GARBER:

Q. You never heard of the Perrones, the strikebreakers?—A. No, sir; I did not.

Q. Did you ever know they were strikebreakers?—A. No.

Q. Did you ever hear anybody refer to Carl Renda as king of the waps?—A. No.

Q. Did Bill Cleary ever tell you he was?—A. No.

Q. Did Mr. Burt ever tell you he was?—A. No, I don't think so.

Q. Mrs. McQuillan?—A. No.

Q. You never heard him referred to as king of the waps?—A. No.

The COURT. This is off the record.

(Discussion off the record.)

The COURT. Mr. Robinson might ask you what questions were put to you. You are under an oath of secrecy. You are not supposed to tell; and others may ask you. Do you want Mr. Cochrane any more?

Mr. GARBER. Not at this time.

The COURT. You are still under subpoena, and we may call you back.  
(Witness excused.)

---

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the city of Detroit, Michigan, on Wednesday, December 11, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:25 p. m.

ALEXANDER D. BLACKWOOD, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Your full name, please?—A. You want it spelled out, name or initial?

Q. Your full name.—A. Alexander Davidson Blackwood.

Q. Where do you live, Mr. Blackwood?—A. 12851 East Outer Drive.

Q. How long have you lived in Detroit?—A. Since 1924.

Q. And where were you born?—A. I was born in Scotland.

Q. When did you come to this country?—A. 1912.

The COURT. What part of Scotland?

The WITNESS. I came from about 40 or 50 miles out of Glasgow.

The COURT. North, south, east, or west of it?

The WITNESS. Well, that's opposite a place called Goorek. I am so long away from there—

The COURT. Anywhere near the Firth of Forth?

The WITNESS. It's not too far away. It's on the Clyde.

The COURT. Glasgow is on the Clyde.

The WITNESS. Oh, yes.

By Mr. GARBER:

Q. Where did you receive your education, here or in Scotland?—A. I received my education in Scotland.

Q. And what month and year were you born?—A. I was born in February 19, 1894.

Q. And when did you first gain employment at the Briggs Manufacturing Company?—A. Well, I don't recall the exact time. I think it was about April 1924.

Q. And you have been employed by the Briggs Manufacturing continuously since that time?—A. Yes, sir.

Q. What was your first employment there?—A. I was employed as an auditor.

The COURT. You got your education as an auditor in Scotland?

The WITNESS. No. My school education was in Scotland, and my business connections were primarily in Canada and the United States.

The COURT. Did you go to college over in Canada?

The WITNESS. No; just continuation classes.

The COURT. Outside?

The WITNESS. Yes.

The COURT. Extra mural?

The WITNESS. Yes.

The COURT. Did you work in a bank in Canada?

The WITNESS. No.

The COURT. You worked up and did your own work, studying?

The WITNESS. That's right.

The COURT. Took certain courses?

The WITNESS. Yes.

The COURT. And became a C. P. A.?

The WITNESS. No; I did not obtain my degree.



The COURT. But you became a bookkeeper ultimately, and an auditor?

The WITNESS. An accountant and auditor; yes.

By Mr. GARNER:

Q. You started with the Briggs as an auditor?—A. I started with the Briggs as an auditor in 1924.

Q. And what is your present position?—A. Secretary.

Q. Of the Briggs Manufacturing Company?—A. Yes.

Q. And you are also Assistant Treasurer?—A. Yes.

Q. And the Treasurer is Spike Briggs?—A. That's right.

Q. Does he hold any other office outside of Treasurer?—A. No.

Q. Are you in charge of the Auditing Department of the Briggs Manufacturing?—A. Well, that would be one of my divisions; yes.

Q. And how long have you held the office of Secretary and Assistant Treasurer?—A. Since—I was appointed Secretary in 1942. I was Assistant Secretary and Assistant Treasurer, I would say, about 1937. Now, I am giving you those dates as accurately as I can from my mind.

Q. It's only important for the background, Mr. Blackwood.—A. That's right.

Q. But at the present time you are Secretary and also Assistant Treasurer?—A. Correct.

Q. Now, as part of your duties, does the salvage end of the Briggs Manufacturing Company come within your jurisdiction?—A. Yes; it is lined up that way.

Q. Well, how do you mean, it is lined up that way?—A. Well, when I say it comes under my jurisdiction it does in certain respects; that is, primarily for inventory control.

Q. And to whom does the man in charge of this salvage come to for his instructions, and so forth, you or Mr. Cleary, or Mr. Cochrane?—A. Well, there would be a division of contact there. Usually his prime job, of course, is handling disposal of scrap, and negotiating the disposal contract or orders. It is usually contacted through our Purchasing Department.

Q. Through the Purchasing Department. That would, previous to his death, have been Mr. Cleary?—A. That's correct.

Q. And at the present time, Mr. Cochrane?—A. That's right.

Q. And you were acquainted with Mr. Cleary?—A. Oh, yes.

Q. And what is your opinion of him; do you hold him in high esteem?—A. Mr. Cleary, in my mind, was a very efficient executive, and a gentleman above all things. That's my experience with him.

Q. In other words, as far as you know, his character was above reproach?—A. Yes, sir.

Q. In handling of any business deals as well as being a gentleman?—A. Yes.

Q. You also know Mr. George Herbert?—A. Yes, I did.

Q. What is your opinion of Mr. Herbert?—A. Well, Mr. Herbert was in our employ a number of years, and of course, we laid him off.

Q. I realize that, but was he an efficient employee?—A. To the best of my knowledge; yes.

Q. The reason for him being laid off was not due to his lack of ability to handle the salvage department?—A. No; not to my knowledge.

Q. When was your attention first brought, Mr. Blackwood, to the present existing contract with the Carl Renda Company?—A. Well, to my best recollection, it was a memorandum from Mr. Cleary.

Q. That was in what year?—A. That was quite recent. It was sometime in the early part of this year, I think.

The COURT. What was the reputation of Mr. Cleary for truth and veracity?

The WITNESS. I beg your pardon?

The COURT. What was the reputation of Mr. Cleary for truth and veracity?

The WITNESS. I think Mr. Cleary could be—his reputation could be verified not only at Briggs but many other places.

The COURT. Very high grade?

The WITNESS. Yes, sir.

The COURT. And what is the reputation or what was the reputation of George Herbert while he worked at the Briggs Company—I don't mean the last day he worked there, but during the period he worked there, for truth and veracity, good or bad?

The WITNESS. Well, I never knew of anything that I could say against him, that is, in his dealings.

The COURT. We are not inquiring here now, why the board discharged him, for the simple reason we have a very good, sound solution for that, but outside that, his discharge, he was a good man?

The WITNESS. As far as I know.

The COURT. And you never heard anything to the contrary while he worked there?

The WITNESS. No.

By Mr. GARNER:

Q. Now, I show you Grand Jury exhibit 2, and ask you if that is the memorandum you are referring to?—A. Yes; that appears to be it.

Q. And that is dated April 23rd this year?—A. Yes; it is.

Q. Is that the first you knew of the Renda contract?—A. The first I knew of a contract; yes.

Q. The first you knew of a contract?—A. Yes. We were selling to him, I believe, prior to that.

Q. Do you know when the contract was entered into with the Carl Renda Company and the Briggs Manufacturing?—A. No; I couldn't say definitely.

Q. I show you Grand Jury exhibit one, and ask you when you saw that first?—A. Well, I can't say for sure that I ever saw it.

Q. You can't say you ever saw it?—A. No.

Q. Do you recognize the signature on that?—A. I recognize W. J. Cleary's signature.

Q. That's the director of purchases of Briggs Manufacturing Company in his lifetime?—A. Correct.

Q. That is not dated?—A. It doesn't appear to be. Is this the original copy?

Q. The one furnished by the Briggs Manufacturing Company, all I know.—A. I don't recall seeing that.

Q. Was any inquiry made on your part after you received this Grand Jury exhibit 2, sent to you by Mr. Cleary?—A. What?

Q. Whether there was a contract or how come there was a contract?—A. No, other than we would pass out the information to the Accounting Department to act in accordance with the memorandum.

Q. And on whose instructions did you pass it out to the Accounting Department to act on the memorandum of Mr. Cleary?—A. On the basis, I would say, of that memorandum from Mr. Cleary to me.

Q. I see. And just what did that entail, this notice that was passed out to the Accounting Department?—A. As far as we were concerned, that would entail the pricing of a shipping ticket, in accordance with the details on that memorandum.

Q. Now, previous to this memorandum, Grand Jury Exhibit 2, dated April 23, 1946, what had been your procedure in selling scrap out of the Briggs Manufacturing Company?—A. You mean in organization contact, as between one division and another?

Q. No, I mean—

The COURT. Between Briggs and the ultimate buyer?

By Mr. GARNER:

Q. Prospective purchasers.—A. Well, I would say that during the war, of course, we sold our scrap on the basis of price ceiling established by the government.

Q. Did you also send out requests to certain people engaged in business to bid on your scrap?—A. A. Oh, yes.

Q. And when was that discontinued, Mr. Blackwood?—A. Well, I would say last year some time, I am not just sure.

Q. As a matter of fact, wasn't that discontinued about the second quarter of 1945?—A. It is possible, but I would have to check on it.

The COURT. Right then, what was your position?

The WITNESS. I beg your pardon.

The COURT. On April 1st, 1945, what position did you hold in the company?

The WITNESS. The same position I hold today.

The COURT. That is assistant treasurer and secretary of the corporation?

The WITNESS. That's correct.

The COURT. You were in the so-called front offices, were you?

The WITNESS. Oh, yes.

The COURT. I have never been there. I am just inquiring, but I take it probably the office of the Chairman of the Board, Walter Briggs, of the president, Dean

Robinson, the office of the treasurer, Spike Briggs, and your office, are all contiguous, are they, adjoining?

The WITNESS. Fairly so, yes.

The COURT. They are all in the same building?

The WITNESS. That's correct.

The COURT. On the same floor?

The WITNESS. Yes, they were.

The COURT. Were then, and are now?

The WITNESS. No, Spike Briggs is over in our Outer Drive plant now. We have been spread out a little bit, because of shortage of office space.

The COURT. Is Fay Taylor in that same suite of offices?

The WITNESS. No, Fay Taylor has never been in that suite of offices.

The COURT. George Herbert wasn't either?

The WITNESS. No.

The COURT. Cleary?

The WITNESS. Cleary was down the line, in the same building, but the Purchasing Department moved over to the Outer Drive plant before Bill's death.

By Mr. GARBER:

Q. Well, why was this change in the method of handling salvage brought about, Mr. Blackwood?—A. Well, that was a negotiated contract between our Purchasing Department and prospective purchaser.

Q. I appreciate that, but why was there a negotiated contract instead of continuing the same method of doing business that had been carried on at Briggs for the last 18 or 20 years? What brought about that change?—A. I wouldn't know any particular reason for changing it, except changes will happen, that's all. I don't think our method of disposing of scrap during the year would compare with our method prior to the war.

Q. Why, then, did the Briggs Manufacturing Company make such a contract and adhere to it, when it cost them some \$1,900 in settling up with the government?—A. \$1,900 out of a total of hundreds of thousands of dollars, to my mind, is nothing at all, and was a nuisance settlement. We made no agreement on that whatsoever, the thing was so small, and we were tremendously busy, we got rid of it.

Q. That was one small bit of commingled scrap?—A. And conglomeration of items and mixture of sources of disposal.

The COURT. But under the former method, it would seem to be justified from long years of experience of submitting the scrap to bidders, and accepting the highest bidder, regardless whether some of the scrap was owned by Briggs, and some owned by the government, and that scrap was commingled, as long as you had a ratio of settlement, that \$1,900 item wouldn't have come into the picture, but do you understand how that got into that picture?

The WITNESS. Oh, yes.

The COURT. In other words, the government was maintaining——

The WITNESS. The government was what?

The COURT. The government was contending that the scrap that it had or the scrap that arose from its metals was not knocked off to the highest bidder, but was sold at a price less than the market price, and that's tied in with the Renda contract.

The WITNESS. I don't believe it is tied in with the Renda contract. I think it would be very difficult for any of us to show——

The COURT. Do you want to take a position right here before we get any further: you know a lot about this contract?

The WITNESS. No; but I know a lot about the investigation.

The COURT. We are going to tell you a lot before we get through, and we want your answers.

The WITNESS. To say what amount, if any, of that \$1,900 was sold to Renda, I wouldn't know. I don't think anybody would know. It might be \$20, it might be 20 percent, it might be nothing.

The COURT. But the item comes in because of the method of handling government and Briggs scrap. That's what we are talking about.

The WITNESS. We don't contend to be absolutely accurate on everything we do. As soon as we get to that stage, it is time for us all to quit. Little errors creep in. We contend we handled our government accounts in a manner very satisfactory to all agencies of the government, and I think our reputation will establish that beyond any doubt, in performance, settlements, and everything else.

By Mr. GARBER:

Q. Anyway, that item was paid by Briggs?—A. That is correct.

Q. And it was for commingled scrap, where the government figured they should have received more than they did?—A. That's right.

Q. And regardless whether it was settled on a nuisance basis or otherwise, it was paid?—A. It was paid, yes.

Q. Now, you say you knew nothing about this contract until April 23rd of this year?—A. I said that was my belief, yes.

The COURT. Until April of this year, this current year?

The WITNESS. Yes. Well, I knew we was selling some scrap to Renda prior to that.

The COURT. When did you first hear the name Renda?

The WITNESS. Well, I would be guessing pretty much on that.

By Mr. GARBER:

Q. All right, your best judgment.—A. I would say it would be some time in the fall of last year, and only for the reason that we examined the disposal of these different items in cleaning up government accounts.

Q. Is that after the FBI got into the picture?—A. That I couldn't say, because we didn't know how long they were in on it, and, personally, I had no contact with the FBI on this matter at all. They made their examination, and as the various departments of the government have done continually during the war, and I told them at the time, well, we haven't time to dicker along with things of that sort, it would take tremendous time o check; let's settle it and be done with it, not on the basis of whether it was right or wrong.

The COURT. When it came up to adjust the government claim, that duty, responsibility, fell on your shoulders?

The WITNESS. That's correct.

The COURT. You are the one gave the "go" signal on that?

The WITNESS. Yes, sir.

By Mr. GARBER:

Q. Now, what would you say, based on your experience, and having some control over the audits of the Briggs Manufacturing Company, is the amount handled by this particular contract—how much merchandise, salvage, is sold under this contract per year?—A. Well, we haven't really any comparative experience to go on. Now, before the war, we sold bundles of steel that went to different scrap dealers. Now we sell it direct to the mill.

Q. That's right.—A. So now, I would say, sales to the Renda Company for the first nine months would barely exceed \$190,000.

Q. You are talking about the first nine months of 1946?—A. Yes.

Q. And you don't know what it would have been from April to the end of the year 1945.—A. No. See, we were dealing then with a different commodity. We were dealing with aluminum, and now we are dealing with steel—not too good steel either. We have more breakage than we anticipated, and more scrap.

Q. Your paper disposal is the same?—A. Yes.

Q. Is it part of your duty to figure out what it would cost to load boxcars with paper, per ton?—A. No, I have never had occasion to.

Q. Have you any idea what you could load paper for per ton?—A. I have no idea.

Q. Could you do it for \$1 a ton?—A. I have no idea at all.

The COURT. Who would have any idea up there? If it was figured, who would figure it?

The WITNESS. Frankly, I don't ever remember a request coming up, a request being made. Who would figure it, would depend largely on the purpose for which it was to be used.

By Mr. GARBER:

Q. Do you know you are loading it for \$1 a ton?—A. No, I don't.

Q. You are not acquainted with this contract very well?—A. No; I am not acquainted with it, other than I know we have a contract selling that scrap to the Renda Company.

Q. Did you know previous to that you had to bring all your paper to one plant and bale it?—A. No.

Q. That's an item of expense?—A. That's true, but we can't get down to every item of expense. Expenses run into many millions of dollars, and I think any place would do well to handle the larger items.

Q. Well, you don't know what the volume in tonnage has been that you have sold to the company?—A. No; just the volume in dollars. I would say the figure I gave you of \$190,000 is accurate.

The COURT. Does that include ferrous, nonferrous, and paper waste, too?

The WITNESS. That, I would say, would include the total billings to the Renda Company, for which they have paid.

By Mr. GARBER:

Q. Your best judgment at the moment, you have received \$190,000 for the first nine months for 1946 from the Renda Company for salvage material.—A. That's correct.

Q. And do you know who is actually taking the salvage from the plant?—A. Well, the mills themselves are really taking it.

Q. That only goes to certain compressed bundles?—A. That is scrap.

The COURT. That only covers hydraulically compressed steel?

The WITNESS. That's right.

The COURT. That would go direct, for example, to the Great Lakes Steel?

The WITNESS. Yes.

The COURT. We are not interested in that.

The WITNESS. Well, there are a number of other sources in there. I would have to get them to answer that. I know we sell a lot to Silverstine, but just what it is made up of—

By Mr. GARBER:

Q. What do you sell to Silverstine?—A. Well, that's what I say I would have to make an examination of the details, but I would say scrap fixtures.

Q. Obsolete machines?—A. It would be a mixture of items.

Q. Well, previous to this time, you did sell these hydraulic bundles to Silverstine?—A. That's right, prior to the war.

Q. Now, they go back to your supplier?—A. Yes.

Q. But we are talking about items listed here, such as waste paper, ferrous metal, nonferrous metal, rags, other things covered by this contract. You haven't sold any of that to anyone else but Renda?—A. I wouldn't be prepared to say without an examination.

Q. Well, do you know who is actually removing from the Briggs plant the ferrous, nonferrous, waste paper, waste rags, and so forth, at the present time?—A. I would have to get the list of that for you.

Q. How would you know, from what list?—A. Well, we would have to sell it for one thing.

Q. Well, you are selling it all to Renda.—A. You are answering that question, I can't say.

Q. Do you know who is physically removing it from the plant?—A. I know Renda removes what he takes, that is my understanding, whether anyone else removes it, I couldn't say.

Q. Do you know if Mr. Renda has a crane?—A. I understand he has a crane in two of our plants, and magnet.

Q. That belongs to Mr. Renda?—A. Yes.

Q. Does he have any trucks?—A. I presume so. Now, he moves the material. I presume he would have.

Q. When you ordinarily enter into a contract for the Briggs Manufacturing Company on even a matter of a quarter of a million dollars a year, or approximately that, do you usually investigate the man you are going to contract with?—A. It would depend greatly on the nature of the contract. There are certain of these contracts, to my knowledge, have always gone through the purchasing department, and we rely on the ability of the director of purchases, who usually holds a very important place in the organization to check those things.

Q. You have rules as to the financial responsibility of people you contract with, do you not?—A. I don't know any particular rule, if the negotiator of the contract feels the man has the ability to pay.

Q. Do you know whether Carl Renda Company or Carl Renda was ever investigated as to his financial responsibility?—A. That I couldn't say.

Q. Do you know what his financial responsibility was?—A. That I couldn't say. All I can say, since we dealt with him, he paid his bills promptly.

The COURT. It would be safe to say, would it not, the general rule or policy of the Briggs Company in selling scrap, would be, one, to get the best market price for it, and, two, to see that it was promptly removed from the premises, so that this scrap would not interfere with the ordinary running of the plant?

The WITNESS. You could assume that, yes.

The COURT. I mean, about any businessman would have those two factors in mind, wouldn't he?

The WITNESS. I would assume so.

The COURT. Now, supposing, for example, the Renda Company comes in, and they get this scrap contract for less than the fair market value; two, they have no equipment or experience to handle it at the time the contract is given to them, and so on, instantler, if they haven't already arranged for it, they have got to make prompt arrangements with some outsider for him to come in and use his equipment to remove this scrap that he, Renda, has purchased, and to remove it efficiently and promptly?

The WITNESS. Yes.

The COURT. Do you know what happened in this case?

The WITNESS. No.

The COURT. You had better put the proper question to him.

Mr. GARBER. All right.

By Mr. GARBER:

Q. You have already told me you don't know who is physically removing the scrap?—A. I told you I believe Renda is removing the scrap that is handled through their account.

Q. Did you ever hear of the Woodmere Company?—A. Yes; I think I did, prior to the war, not since.

Q. They are not hauling the scrap out of Briggs now?—A. I don't think so. They did at one time.

Q. They didn't?—A. They did at one time.

Q. They don't haul it at the present time?—A. I couldn't say.

Q. They don't own the cranes that are over there now?—A. I couldn't tell you.

Q. And do you know how much more other companies are paying for that material than you are selling it to the Renda Company for?—A. No; I wouldn't have any particular reason for determining that.

The COURT. In other words, do you know how Renda, having the contract with Briggs, disposes of this material, to whom he disposes of it or sells it?

The WITNESS. No; I don't know who he sells it to.

The COURT. Would it be interesting to you to know he sells it to men or concerns that themselves purchased that scrap for a period of twenty-odd years?

The WITNESS. Well, of course—

The COURT. And they remove it in their own vehicles?

The WITNESS. I don't know. I don't know that at all.

By Mr. GARBER:

Q. At a price from five to twenty dollars a ton more than the Briggs gets for it?—A. I don't believe I could recognize any difference like that at all.

Q. How much has scrap increased since the 11th day of November?—A. Oh, I don't know. I suppose it would depend on the type of scrap—five or—

Q. How much has Renda raised his price?—A. I understand the price has gone up in some instances \$3 a ton.

Q. Has that been agreed or talked about?—A. I believe agreed to.

Q. It has just been talked about?—A. I already stated I believe it was agreed to, consistent with the increases.

Q. Do you know how much he raised his price back in November?—A. No; I don't.

Q. What do you know about this man Renda?—A. I have never met him in my life.

Q. Do you know who he is?—A. No.

Q. Do you know how old he is?—A. I say I have never seen him; I don't know.

Q. You haven't met him; you might know him by reputation?—A. I don't know him at all.

Q. Do you know anything about him?—A. No.

Q. Did you ever hear of Sam Perrone?—A. No.

Q. Do you know John Fry?—A. John Fry?

Q. The head of the Detroit Michigan Stove Works?—A. No.

Q. Did you ever talk to him about his labor troubles over there?—A. No; I never met him. I have no occasion to discuss labor troubles at all.

Q. Well, you say you don't know anything about Renda?—A. I have never seen or know the man in any way at all.

Q. Have there been any changes made or are there any changes contemplated since this Renda jury inquiry has been on, and some of the higher officials have

been down here, a change of the Renda contract?—A. Not to my knowledge; I haven't seen nor heard of any changes.

Q. As a matter of fact, aren't you requesting bids as of the 13th of this month in order to get rid of this Renda Company?—A. Not to my knowledge.

Q. Have you talked to anyone in the office that has requested bid or that you know bids are to be requested on the 13th of this month?—A. No, sir.

The COURT. Did you give any such orders yourself?

The WITNESS. No, sir.

By Mr. GARBER:

Q. Do you know whether Mr. Cochrane is doing that?—A. No, sir.

The COURT. Do you know anybody else in the top-flight offices that gave such instructions?

The WITNESS. No, sir.

By Mr. GARBER:

Q. Do you know whether it could be done under this contract as it is now?—A. Well, I haven't—as far as I can recollect, I haven't read the contract.

Q. Has any notice been served on Renda relative to this contract, of termination?—A. Not to my knowledge. See, I have been away for the past five weeks or so. I have been practically out of circulation as far as the company is concerned. I have been over in England; I just got back.

Q. When did you return from England?—A. I came back, I think, a week ago last Friday, and I have been out of town some since.

Q. Have you discussed this with Mr. Dean Robinson?—A. No.

Q. Have you discussed it with Mr. Cochrane?—A. No. As a matter of fact, I haven't seen Stan since I came back, outside lunch periods.

Q. Has the contract been discussed with you by anyone?—A. No.

Q. Do you know if Mr. Robinson had Mr. Renda in a week ago?—A. I never seen Renda; I don't know if he was in or not.

Q. You don't know anything about a meeting between Mr. Cochrane, Renda, and Mr. Dean Robinson?—A. No.

Q. And, so far as you know, this contract is still in full force and effect, and the prices are the same as this memorandum, Grand Jury Exhibit 2, which was sent to you in April of this year.—A. Well, I don't know of any changes in it except, as I stated a little while ago, that I believe there were some adjustments consistent with the scrap price adjustments that have taken place.

Q. You would be the man any notification would be sent to, and a carbon copy would be sent to Mr. Reichman? A. I assume Mr. Cochrane would carry out the same procedure as Mr. Cleary.

Q. Have you received any such memorandum?—A. No; I have not. I say I haven't—I have a lot of mail to go through that I haven't seen for three or four weeks. To my knowledge, I haven't seen one. If it would be there, I assume I would have seen it.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Do you know any of those gentlemen?—A. No; I certainly do not.

Q. Are you acquainted with that gentleman?—A. No.

The COURT. How would you like to have him as a father-in-law?

The WITNESS. As a matter of fact, I haven't any, but I was satisfied with the one I had.

The COURT. You know, as a native Scotchman, something for nothing doesn't exist.

The WITNESS. I don't understand, something for nothing.

The COURT. In other words, you have to pay for what you get, don't you?

The WITNESS. Yes; that is good business.

The COURT. They are not handing anything out over at Briggs without consideration, to your knowledge?

The WITNESS. No, sir.

The COURT. In other words, around this time of year I suppose the bells are tolling and Santa Claus will be around passing out candy and one thing and another; but, when the holidays are over, we get down to business again; every man is out to do his job, and he ought to get paid for what he does. If he doesn't do it, he doesn't get paid?

The WITNESS. That's right.

The COURT. Now, we are not complaining here about how Briggs sell their merchandise. If Briggs own any merchandise, whether a fabricated article or not, they can give it away; that's their business.

The WITNESS. That's right.

The COURT. They can give scrap away, but we are deeply interested in this little scrap contract for its ramifications that you may get some light on before we get through.

By Mr. GARBER:

Q. Did you know the only telephone number you had was the home of this gentleman when you went into that contract with Carl Renda, showing you the picture of Sam Perrone?—A. No; I did not.

Q. Did you ever see any of these boys over there picking up scrap or having anything to do with scrap?—A. To my knowledge, I never saw them in my life before.

Q. Any of these gentlemen at all?—A. No.

Q. This gentleman here is the uncle who raised—had a lot to do with the raising of Mr. Carl Renda. He was tried for murder of a policeman, tried for kidnapping.—A. I have never met any of them. I am sure. That's a cinch.

The COURT. They are some of your intimate associates?

The WITNESS. Not mine.

Mr. GARBER. You are doing business with them and have been.

The COURT. Now you will understand why we want to find out how they got the contract?

The WITNESS. Any contract we have, if they pay their bills, that's my concern.

Mr. GARBER. But you are losing money on that contract.

The COURT. Now, here, Carl Renda put his appearance in the Briggs plant about in March 1945. I think we will take this off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Now, can you explain this: That about that time you started to have serious beatings of several agitators in your plant?—A. No; I wouldn't be aware of any beatings of any agitators in the plant.

Q. You read the papers, don't you?—A. That would be the limit of my knowledge.

Q. Do you know the two Vega boys were badly beaten?—A. You are asking me a question?

Q. Yes.—A. No; I didn't know that.

Q. Do you know the Dollinger woman was badly beaten in her own home, and her husband beaten?—A. No; I do not.

Q. Do you know Kenny Morris was beaten?—A. No.

Q. Do you know he had six skull fractures?—A. I didn't know.

Q. All uniform beatings, by dark-complected men, all met around their homes?—A. I wouldn't know anything about that.

Q. Do you make up the record of the number of unauthorized work stoppages, loss of hours?—A. No; that is made up by our personnel department.

Q. Do you know how many hours were lost because of unauthorized work stoppages last year?—A. In excess of a million.

Q. In excess of a million and a half, wasn't it?—A. That is quite possible.

Q. What have you had so far this year?—A. I think this year we have had about, speaking approximately, I would say about 800,000 hours.

Q. It could be around 600,000?—A. Well, I don't know; I am just speaking from recollection.

Q. What is your explanation of the terrific drop in unauthorized work stoppages?—A. I don't know how to answer that. What causes the strikes in the first place? They run in spasms, spells; and, of course, we have fewer employees than we had in 1945, 1944. Going through a conversion period, I assume it would be silly to call a strike when the people were not working.

Q. Do you think these beatings had anything to do with that?—A. No; I certainly do not. I can't see any beatings stopping a strike any time, as far as that goes; and I can't say there were beatings.

Q. Would you take our word there were beatings and what we are telling you is the truth?—A. Well, you are giving me information, and, naturally, I assume you are not making it up, so I don't know anything about it.

Q. Do you know the two Perrones I showed you pictures of there have been the strikebreakers at the Michigan Stove Works for years?—A. I have no knowledge of the family at all, or any of their activities.



Q. Do you know the Perrones are loaned by the Detroit Michigan Stove Works to other places, to break strikes, because of their beating tactics?—A. No; I do not.

Q. You never heard of that. You know there is a Detroit Michigan Stove Works, don't you, Mr. Blackwood?—A. Yes, I do.

Q. Do you remember the Thompson murder?—A. Thompson, was that the one up in Michigan some place?

Q. Up in Pontiac?—A. Yes.

Q. Do you know what connection the Perrones had, if anything, with that Thompson murder?—A. No.

The COURT. What's the answer? Did you answer that question?

The WITNESS. Yes.

The COURT. Read the question.

(Question read.)

The WITNESS. I said I do not.

By MR. GABER:

Q. Well, do you know whether or not the Briggs Manufacturing Company is losing money under this contract?—A. Know whether we are losing money? No.

Q. You don't know. Do you know whether it is a good contract?—A. I would assume it was a good contract; yes.

Q. You would assume that?—A. If it was handled by a clerk in the organization, I might have some doubts about it, but if it was handled by the head of a division, if he couldn't make a reasonable contract on that, he couldn't make it on hundreds of millions of dollars he does.

The COURT. Do you know—I suppose you do know that before March or before April 1945, for a period of practically the life of the Briggs Manufacturing Company, twenty-odd years—

The WITNESS. That isn't anywhere near the life of Briggs Manufacturing Company.

The COURT. Isn't it? Well, for twenty-odd years, then, this scrap was sold to the highest bidder, after bids were sent out to the interested trade, and that the periods covered by the contracts entered into by Briggs and the buyer ran thirty, sixty, and ninety days.

The WITNESS. I would say, very foolish contracts.

The COURT. Because of the fluctuating of the market in that type of scrap, whether it is ferrous or nonferrous or waste paper. Now the Renda Company at the time the Renda contract was entered into, that policy was overturned, cancelled and put an end to, and Renda gets a contract—you can read it yourself—that is running indefinitely, at a price, no bids, nobody else can come in. He gets the contract, but he, in turn, sells the scrap to the men or concerns that had the contract for that scrap with Briggs over that period of twenty years.

The WITNESS. I can't speak for twenty years. I can't say we sold to the highest bidder for twenty years.

The COURT. You can take my word for that.

The WITNESS. I don't believe I can.

The COURT. When I say twenty years, the highest bidder didn't get it for twenty years, sometimes there was a break and someone outbid him.

The WITNESS. Whether it was the highest bidder, I couldn't say, and I couldn't say for twenty years.

By MR. GABER:

Q. At least, this is the method pursued in scrap?—A. A 30-day contract I wouldn't concur in that at all. I think the one source, as long as we were getting our money, is not a bad idea at all. We can get service, can get rid of it.

The COURT. Would Mr. Walter Briggs have anything to do with negotiating a contract of that type?

The WITNESS. Oh, gracious, no.

The COURT. I wouldn't think so. And I would say, in a contract of that type, Spike Briggs wouldn't have anything to do with it.

The WITNESS. Spike was in the army quite a few years.

The COURT. Well, in 1945, the summer of 1945, where was Spike, in the army?

The WITNESS. The time passes so quickly—I think he was. I am not sure, but I think so.

The COURT. Even though he wasn't in the army, he's only treasurer there.

The WITNESS. I wouldn't say only—he's treasurer and director of the company.

The COURT. Well, treasurer and director, but he didn't work a period of years up, like you did?

The WITNESS. No; that's true.

The COURT. And like George Herbert?

The WITNESS. No.

The COURT. And like Cleary, long continued service?

The WITNESS. No.

The COURT. And promoted from one position to a higher one and more responsibility?

The WITNESS. No.

The COURT. He came in, as no doubt he ought to come in, as son of the founder?

The WITNESS. Yes.

The COURT. Now, as I understand you, this contract was already executed when you got wind of it?

The WITNESS. Yes; which is not unusual in the purchasing department, contracts of that kind.

The COURT. I don't say it isn't. And at that time you were assistant treasurer and secretary of the corporation?

The WITNESS. That's correct.

The COURT. And you can take it from us that the policy of the company, by the execution of this contract as to the sale of scrap, was radically changed—as to the sale and disposal of scrap. Now, as far as you know, George Herbert had nothing to do with the execution of this contract, did he?

The WITNESS. To my knowledge; no.

The COURT. And we have eliminated Walter Briggs and Spike, is his son, as having nothing to do with the execution of it, and you had nothing to do with the execution of it?

The WITNESS. No.

The COURT. Nor did you ever meet Renda?

The WITNESS. No, I have never met him.

The COURT. And you don't even know John Fry?

The WITNESS. No. Who is John Fry?

The COURT. The president of Michigan Stove?

The WITNESS. No; to my knowledge I haven't met any of the officials of the Michigan Stove Company.

The COURT. Now, Cochrane had nothing to do with it, because he just recently got that job as director of purchases?

The WITNESS. That's correct.

The COURT. Who else is on the board besides Walter Briggs?

The WITNESS. Mr. Briggs, Mr. Robinson, Mr. Lunberg.

The COURT. Lunberg?

The WITNESS. Yes.

The COURT. Would he have anything to do about salvage?

The WITNESS. No; not a thing. He's primarily interested in engineering and manufacturing.

The COURT. He is an engineer?

The WITNESS. He is assistant general manager now.

The COURT. And Walter Briggs—

The WITNESS. Is chairman of the board.

The COURT. And the general manager is Dean Robinson.

The WITNESS. That's right. Now, you asked for the entire board—Mr. Briggs, Mr. Briggs, Jr., Mr. Robinson, Mr. Lunberg, Mr. Sisson—

The COURT. What's his job?

The WITNESS. Vice president of Briggs Commercial and Development Company. He's not with the company at all.

The COURT. A subsidiary?

The WITNESS. No. Mr. Briggs' own company, not affiliated with the manufacturing company.

The COURT. He is out.

The WITNESS. Then, Mr. Charles T. Fisher, Jr., president of the National Bank of Detroit.

The COURT. Would you call him a figure head?

The WITNESS. No; he is a director of the company.

The COURT. Not actively engaged in the plant?

The WITNESS. No; not working.

The COURT. A director?

The WITNESS. A director; yes.

The COURT. When the board of directors meets, he is probably present?

The WITNESS. Oh, yes.

The COURT. Charles T. Fisher?

The WITNESS. Charles T. Fisher, Jr., president of the National Bank of Detroit.

The COURT. Now, Mr. Cleary is dead.

The WITNESS. Yes; he is.

The COURT. And do you know how long this contract lay on Cleary's desk before it was signed?

The WITNESS. I haven't any idea.

The COURT. You don't know whether it lay there a year or not.

The WITNESS. I don't know whether it lay there at all.

The COURT. Mr. Herbert is not now on the payroll. He's been discharged?

The WITNESS. That's correct.

The COURT. Together with his secretary?

The WITNESS. Yes.

The COURT. Do you know what Dean Robinson had to do, if anything, about the execution of this contract?

The WITNESS. I don't imagine he would—I don't think he would get that far down in detail. I know I couldn't. Think of all there was to do, Judge, during the war. You have your limitations, and that's it.

The COURT. Do you know who introduced Renda and the Perrones?

The WITNESS. No, sir.

The COURT. To the Briggs people?

The WITNESS. No; I do not.

The COURT. That enabled them to get this contract?

The WITNESS. I do not. I don't know that anybody introduced them.

Mr. GARBER. Well, there's very little more I want to ask this gentleman, except that Mr. Blackwood has been very resentful of some of the statements we have made here. Now, I am perfectly willing, and I think you would join me in this, Your Honor, that if he can prove we are wrong in this deal, we would like to be shown where we are wrong. I feel you have resented some of the statements we have made that we say are correct.

The COURT. I don't know, but I told Mr. Blackwood—at least, I intended to tell him—he is here to tell the truth.

The WITNESS. That's right.

The COURT. The whole truth and nothing but the truth, and throw all the light possible on these issues that are here before us, that we have discussed this afternoon, and we are here to aid him and his company in any way that he can suggest that we may be of assistance.

The WITNESS. Well, I believe I understand my oath.

The COURT. This is off the record.

(Discussion off the record.)

(Witness excused.)

---

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, December 12, 1946.

Present: Mr. Lester S. Moll, Special Assistant Attorney General.

Reported by: Margaret Cameron, Reporter.

11:40 a. m.

MAX W. TEMCHIN, having been by the Court previously duly sworn, was examined and testified further as follows:

The COURT. Your full name is what?

The WITNESS. Max W. Temchin.

The COURT. You are connected with Continental Motors?

The WITNESS. Continental Metal Company.

The COURT. In what position?

The WITNESS. Well, partner.

The COURT. One of the partners?

The WITNESS. Yes.

The COURT. And you have testified here before?

The WITNESS. Yes.

The COURT. And you are coming back here now on a request from the Grand Jury?

The WITNESS. Yes. I was told to bring in a report.

The COURT. You are still under subpoena.

The WITNESS. No, I wasn't under subpoena this time.

The COURT. You got a subpoena in the first instance?

The WITNESS. I got a subpoena in the first instance; yes.

The COURT. You are still under that subpoena, being recalled?

The WITNESS. I see.

The COURT. Instead of us serving you with a new one each time, you are under the first subpoena, and rather than send another subpoena, we will call you. That's agreeable to you?

The WITNESS. Perfectly all right.

The COURT. From time to time. We don't propose to take too much of your time, but the assistant that had charge of this matter had to go out of town.

Examination by Mr. MOLL:

Q. Now, Mr. Temchin, you have been previously subpoenaed, previously sworn, previously testified before this Grand Jury?—A. Yes; I have.

Q. At which time you stated your connection with Continental Metal Company, and at which time we also discussed the purchase of scrap material by Continental Metal Company from Carl Renda Company?—A. That's correct.

Q. You were asked, I believe, to state the approximate number of pounds or tons of scrap material that you had purchased from Carl Renda Company, and the amount of money involved in those purchases.—A. I don't recall that I was asked that question before.

Q. Well, at least you are in a position now to give us—A. Yes, that report.

Q. Testimony in that regard.—A. Yes.

Q. And I believe you were also asked when your business connection with Renda Company commenced?—A. Yes.

Q. Now, you are in a position to enlarge on your previous testimony to some extent. First, when did you commence doing business with the Carl Renda Company?—A. April 1945, I believe, the first month here.

Q. And just state briefly what material you purchased from him beginning in April 1945.—A. It's all items of nonferrous metals coming off the production of the Briggs Manufacturing Company, like copper, brass, aluminum, zinc, lead, and so forth.

Q. And those materials generally were the same type of material that you had previously purchased in your own name from Briggs Manufacturing Company?—A. That's correct.

Q. Now, after contracting with Renda Company for the purchase of this material, did you—I mean, Continental Metals Company—continue to pick up the scrap at the Briggs plants?—A. Yes, we have.

Q. And in addition to your services in collecting the scrap you purchased the same from Renda Company?—A. That's correct.

Q. Now, have you any figures bearing on the amount of scrap purchased and the price paid to Renda Company, commencing with April 1945?—A. Well, we—all I was asked was to make up this list of the total pounds bought; that is, of all metals.

The COURT. From when to when?

The WITNESS. Each month—monthly. We went ahead and made a report monthly, like April, May—

The COURT. From April 1st, 1945?

The WITNESS. No. We didn't start April 1st. It started the middle of April, because we lost—it was a couple of weeks—there was a few weeks there Mr. Renda got the contract we did not operate.

The COURT. Who was getting it?

The WITNESS. United Metals Refining Company, another company Mr. Renda contracted, and I guess they began hauling the scrap.

By Mr. MOLL:

Q. Well, you have prepared from your books—A. That's right.

Q. A statement of your purchases from Renda Company beginning April 1945.—A. That's correct.

Q. And you separated that into months, poundage, and the price which you paid to Renda Company for it.—A. That's right, the total amount of money.

(Thereupon a document was marked "Grand Jury Exhibit 12," by the Reporter.)

By Mr. MOLL:

Q. Now, the statement to which you refer is Grand Jury Exhibit 12; is that correct?—A. Yes.

Q. And was this statement prepared by you or under your direction from the books of Continental Metal Company?—A. That's correct.

Q. This indicates that you did business with him for the months of April, May, June, and July of 1945?—A. Yes.

Q. And also during the months of April through November 1946, inclusive.—A. That's right.

Q. Did you do any business with him for the last five months in 1945?—A. No; we didn't.

Q. Or the first three months in 1946?—A. No, we didn't.

Q. Is there any reason for that?—A. Yes. We were doing business direct with Briggs again.

Q. On a competitive bid system?—A. On a competitive bid system; right.

Q. Well, as I understand it, after that interlude, and beginning again with the second quarter of 1946, Renda got the contract?—A. That's correct.

Q. And you were relegated to buying your material from Renda?—A. That's right.

Q. Now, this indicates that the total purchases of scrap from Renda Company during the months indicated, amounts to 1,744,882 pounds?—A. That's correct.

Q. Or approximately 872½ tons.—A. Right.

Q. For which you paid a price of \$77,512.40.—A. That's correct.

Q. Or approximately \$89 a ton.—A. Yes.

Q. You are still doing business with Renda Company?—A. Yes; we do.

Q. How does the price of scrap that you paid to Renda Company compare with what you used to pay direct to Briggs?—A. Well, over all, I would say they were pretty close the same. Some items might have been a little higher, but approximately the prices on everything was pretty near the same.

Q. In other words, you were paying Renda approximately what you were formerly paying to Briggs?—A. Just about; yes.

Q. Now, do you know whether Renda was making a profit over and above what Renda Company paid to Briggs on its price to you?—A. I can only say, I believe so. I haven't seen his prices at any time, although many times he told me himself what he paid for it on certain items. He must have made a profit.

Q. Now, get this: As far as Continental Metal Company is concerned, you are paying approximately now what you formerly paid when you were bidding direct on a competitive bid basis?—A. Just about; yes.

Q. You are still continuing to use your own equipment and trucks in collecting the scrap?—A. Yes.

Q. Right?—A. That's right.

Q. So the net result to Continental Metals is about the same as far as price and collection is concerned?—A. That's correct. I don't think we have lost anything in dollars and cents.

Q. Now, what is your agreement with Renda and Company as to price? Are you paying them so much a ton more than they pay to Briggs?—A. No, no.

Q. How is your price to Renda worked out?—A. Well, I will give you an illustration. Since the OPA has been taken off, I have made new prices to him, raised my prices to him as of December 1st.

The COURT. This current year?

The WITNESS. This current year.

By Mr. MOLL:

Q. You are paying more than you formerly did?—A. That's right, because the material has been going up quite a bit the last month or so. He asked me

if I could pay more, and I said, "yes." I gave him a new list of prices without any contract.

Q. Your prices to Renda on the type of material that you buy from Renda has increased how much, we will say, lately?—A. Lately, approximately about two to two and a half cents a pounds, or forty to fifty dollars a ton. It's just about what I raised him on the material.

Q. That would be around, then, a fifty-percent increase; wouldn't it? You were formerly paying around \$89 a ton?—A. Yes; that's right.

Q. So, if you are paying forty to forty-five a ton more now, you are paying Renda 50 percent more than you formerly did?—A. Than I did prior to December 1.

Q. Under the OPA regulation?—A. Under the OPA regulations.

Q. Now, do you know whether the price which Renda paid to Briggs Manufacturing Company has increased?—A. Yes; I do.

Q. How do you know that?—A. Well, confidentially, Mr. Reichman just the other day showed me the prices that—the new prices Mr. Renda is paying to Briggs Manufacturing as of December 1st.

Q. Under a new contract?—A. No; this wasn't a contract—merely on his stationery stating he is increasing the prices to Briggs Manufacturing as of December 1st.

The COURT. What's that?

The WITNESS. Mr. Renda had his prices to the Briggs Manufacturing Company submitted as of December 1st.

The COURT. And Reichman told you?

The WITNESS. Well, I just happened to be at his desk and I glanced at it.

The COURT. How much of an increase is he paying?

The WITNESS. Roughly, he's got about \$20-a-ton difference to Briggs Manufacturing than what I am paying him.

The COURT. Briggs Manufacturing Company as of December 1st—

The WITNESS. That's right.

The COURT. Raised Renda's price about 20 percent higher?

The WITNESS. I don't know the old prices he paid to Briggs. I say, I just happened to see the new list as of December 1st.

The COURT. Give us that again.

The WITNESS. The new list he is paying to Briggs Manufacturing, typed on his stationery, is approximately one cent a pound below the prices I am paying to Carl Renda Company. In other words, he has a margin of profit there of about \$20 a ton on material we are picking up this month.

The COURT. And you will, approximately pick up how much material this month?

The WITNESS. Very little. What was the pounds last month? In November we picked up 34,605 pounds. That's November. You can figure about the same for December. It might be more or less. In other words, about 17 tons of material.

The COURT. What?

The WITNESS. About 17 tons of material, as of November, 34,000 pounds.

The COURT. And can you break down the figures there in November and December.

The WITNESS. Well, I haven't got December at all on this. I just made it up to the end of November, because I made it out by months.

The COURT. But whatever tonnage that you buy from Renda now, since the OPA ceiling price was taken off December 1st, from your information acquired, you are paying about one cent a pound more to Renda for this scrap.

The WITNESS. That's right.

The COURT. Than he is paying to Briggs?

The WITNESS. That's right.

The COURT. An one cent more a pound runs to how much per ton?

The WITNESS. \$20 per ton.

The COURT. So, if your conclusions are accurate, for every ton of scrap that you buy from Renda now, December, you are paying him a differential of \$20 a ton more than he is paying Briggs.

The WITNESS. I wouldn't like to stick to the \$20.

The COURT. Well, approximately.

The WITNESS. Approximately.

By Mr. MOLL:

Q. Maybe more.—A. No; I think I am high when I say \$20. Some places—there's about 24 different items. Some items he only raised Briggs \$10 a ton, half a cent a pound, and some places the differential is about \$25 a ton; so, it's some place between \$15 and \$20 a ton.

The COURT. If he raised his old prices to Briggs at half a cent a pound on some articles, how much did he raise you on those same articles?

The WITNESS. Well, my prices were voluntary. That half a cent a pound I just stated—I think you misunderstood me, your Honor—is the difference between my prices and what he is paying to Briggs. See, the actual raise was \$40 to \$50 a ton.

The COURT. When you lay your prices down to Renda, you are figuring what you can afford to pay for that scrap and still make a profit on the resale?

The WITNESS. That's correct.

The COURT. And it's safe to say that, when Renda gives you the scrap at your price, that he's buying the scrap at a lower figure?

The WITNESS. That's correct.

The COURT. Otherwise, he's in business for his health.

The WITNESS. That's right. Well, I know that for a fact, because I have seen his prices.

The COURT. Who figured Renda's prices to Briggs, if you know?

The WITNESS. I don't.

The COURT. You had no part in it?

The WITNESS. Just as—well, he did—when I submitted my prices to him, he did tell me he's going to pay Briggs on a few items, give them a cent a pound here and a half a cent there, but the actual prices I didn't know till I seen his letter.

The COURT. Could you answer this question: Could you submit your new prices to Renda first, before he had the prices from Briggs?

The WITNESS. That's correct.

The COURT. In other words, he had the prices that you would pay him on the new deal.

The WITNESS. That's right.

The COURT. And when he got those prices, then he was in position to negotiate with Briggs and see how much less than your price he could get from Briggs?

The WITNESS. That's correct.

The COURT. And the differential was his profit?

The WITNESS. That's correct.

By Mr. MOLL:

Q. Now, have you heard that Briggs has changed its system very recently on the sale of scrap?—A. Well, I—the only thing I heard that Briggs is going to send out bids by the end of the year on all the scrap.

Q. What does that indicate to you?—A. Well, it just indicates that Carl Renda doesn't stand as strong as he used to stand, I imagine. They are sending bids out.

Q. And have you received yours yet?—A. No; not yet.

The COURT. How did you get that information?

The WITNESS. Well, I have a lot of friends at Briggs and outside, and people really tell me what comes off in advance.

The COURT. In other words, you picked it up in the trade?

The WITNESS. In the trade. Letters are going out before the close of the month for next year's business.

By Mr. MOLL:

Q. Do you know how that came about, the change in business procedure?—A. No.

Q. Any curbstone opinions?—A. I asked that question and was told it was probably due to the Grand Jury investigation. I said, "I am happy to hear it," that's all.

Q. Is there any further story to it than that?—A. No. I didn't hear anything else.

Q. Did you hear who instituted that change?—A. Well, I understand that this order to send bids out was supposed to come from Mr. Cochrane's office, the purchasing agent at Briggs.

The COURT. Have you talked with Cochrane on it?

The WITNESS. I didn't mention that, because I didn't think I was supposed to know that. I saw Mr. Cochrane just a couple of days ago, but we didn't talk about this at all.

By Mr. MOLL:

Q. But you are anticipating requests for bids to come before the first of the year?—A. That's correct.

Q. On all scrap?—A. Well, I don't bid on all scrap. We only bid on nonferrous, but as I understand, it is going out on all scrap.

Mr. MOLL. Now, off the record.

(Discussion off the record.)

By Mr. MOLL:

Q. Now, what, in your opinion, based on your observation and your experience, based on your knowledge of the prices that Renda Company pays for scrap to Briggs Manufacturing, and what it sells scrap for to other purchasers would you say this contract was worth a year to Renda Company?—A. Well, personally, I believe that he tells me the truth, when he says he is only making approximately \$4,000 a month. In other words, for the sake of the record, let's say \$50,000 a year.

Q. Don't you feel the contract is worth more, if it were properly handled?—A. The contract is worth, as I said before, close to a quarter of a million dollars a year, if it were properly handled.

The COURT. Net?

The WITNESS. Net.

By Mr. MOLL:

Q. Why doesn't he make that profit?—A. Well, because I do believe that Woodmere, without casting any aspersion on the company, makes the long dollar in this particular case, because Carl Renda himself was no direct outlets for any material.

Q. Well, in other words, Renda is buying it cheaply enough to dispose of it through the proper sources at a profit that you think should be realized in the neighborhood of \$250,000 a year; that is, buying it on his present basis, selling it on the market, to proper outlets, he could make a quarter of a million dollars a year.—A. I think so.

Q. Of course, you don't know yourself what he is actually making?—A. No; I don't. I am just guessing when I say I don't think he is making more than \$50,000 a year—just my opinion. It coincides with what he tells me. He says about \$4,000 a month.

Mr. MOLL. Well, I guess that's all.

The COURT. Well, he wouldn't be likely to tell you an exaggerated figure of what he was making would he?

The WITNESS. No; not likely.

The COURT. And, like a fellow making a report to Uncle Sam for his income tax, he would be depressing his income?

The WITNESS. That's right, rather than exaggerating.

The COURT. In other words, if he admitted he was making \$4,000 a month, it was a very low figure in your estimation, of what he should be making?

The WITNESS. That's right.

Mr. MOLL. And you take that \$4,000 a month with a grain of salt?

The WITNESS. That's right; I would.

Mr. MOLL. Well, that's all I have, Mr. Temchin. Thank you very much.

Mr. TEMCHIN. You are entirely welcome. I will be available at any time, except when I am out of town on business for a day or so.

(Witness excused.)

---

#### STATE OF MICHIGAN

#### IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury,



at 1974 National Bank Building, in the city of Detroit, Michigan, on Monday, December 16, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: G. L. McGuire, Reporter.

3:45 p. m.

CARL W. RENDA, being by the Court first duly sworn, was examined and testified as follows:

The COURT. Now, I might say, in preliminary, you can sit down here and you may relax, smoke. You are in the presence of gentlemen. You are not going to be hurt. You're not going to be insulted, but we want the truth.

The WITNESS. Okey.

The COURT. If you can give it to us in half an hour, fine. If it takes three hours, fine. If it takes all night, that is bad. That will take a lot out of you, tire you out, and probably the rest of us, but, be that as it may, you will be used as a gentleman, and if you should stay over for a while, you will have a chance to get in touch with your family.

The WITNESS. Thank you.

The COURT. But, just give us the truth and if you will do that, I think we will get along nicely. I haven't heard of anybody yet complaining here, and I hope you will be no exception to the general rule.

The WITNESS. Thank you.

Examination by Mr. GARBER:

Q. State your full name, please.—A. Carl William Renda.

Q. Where do you live, Mr. Renda?—A. 871 Beaconsfield.

Q. How old are you?—A. 28.

Q. When were you born?—A. 1917, November 12th.

Q. November 12, 1917.—A. That's right.

The COURT. You were born in 1917?

The WITNESS. Yes, sir.

The COURT. Just a year before Armistice Day.

The WITNESS. That's right, sir.

The COURT. You were quite a small fellow on Armistice Day.

The WITNESS. Very small.

By Mr. GARBER:

Q. Your father's name was what?—A. Vito Renda.

Q. Vito Renda?—A. Yes.

Q. Do you know where he was born?—A. He was born in Italy.

Q. Italy or Sicily?—A. Well, Sicily, yes.

The COURT. Where were you born?

The WITNESS. Detroit, sir.

The COURT. Where?

The WITNESS. On Monroe Street.

The COURT. What number?

The WITNESS. That I couldn't tell you. I really don't know.

The COURT. They haven't memorialized your birthplace yet?

The WITNESS. No, probably never will, either.

The COURT. Well, they did of Paul Revere.

The WITNESS. Yes.

By Mr. GARBER:

Q. Was your father also known as William, Bill?—A. Yes, they called him Bill, yes.

The COURT. What part of Sicily did your father come from?

The WITNESS. Alcamo, I believe they called it.

The COURT. What?

The WITNESS. Alcamo, the Province of Alcamo. I don't know whether it was a province or city.

The COURT. Did your family on both sides come from Sicily.

The WITNESS. Yes.

By Mr. GARBER:

Q. Your mother's first name is what?—A. Grace.

Q. Was she born in Sicily or here?—A. I believe she was born in Detroit.

Q. In Detroit?—A. I'm pretty sure.

The COURT. Grace?

The WITNESS. Yes, Grace.

The COURT. What nationality?

The WITNESS. American born, Italian descent.

The COURT. That is not an Italian name.

The WITNESS. Grace?

The COURT. Grace.

The WITNESS. Oh, yes, you will find it quite frequently.

The COURT. That is the family name in my family, and they are descendants of St. Patrick.

Mr. GARBER. Boy, you have strayed away.

By Mr. GARBER:

Q. Your father, I think you told me, died when you were about fifteen months old.—A. Something like that.

Q. Your father—not to embarrass you, as I told you before—did engage in some criminal activities, is that right?—A. To be frank with you, I couldn't tell you whether he did or—

The COURT. What was the father's name?

Mr. GARBER. Vito.

By Mr. GARBER:

Q. Your uncle is James Renda?—A. Yes.

Q. Where does he live at the present time?—A. Riverside, Ontario.

The COURT. What part of Riverside, what is the street number?

The WITNESS. St. Mary's Boulevard.

The COURT. Do you know the number?

The WITNESS. I believe it's either 151 or 153 St. Mary's.

The COURT. What is the telephone number there?

The WITNESS. 3-8954.

The COURT. Windsor?

The WITNESS. Yes.

By Mr. GARBER:

Q. And your mother remarried again? What was the name of the man she married?—A. Joe Barone.

Q. How do you spell that, again?—A. B-a-r-o-n-e.

Q. I understand he died about 1939?—A. Yes.

Q. That's when you were a junior in college?—A. Yes.

Q. You have how many stepbrothers or half brothers?—A. Two.

Q. What are their names?—A. Sebastian and Nick.

Q. How old is Sebastian?—A. Around 22.

Q. By whom is he employed?—A. Myself.

Q. He works for you?—A. Yes.

Q. What capacity?—A. He keeps track of the yard, keeps it clean and drives my truck, watches the stuff that comes in and out.

The COURT. What is the extent of his education?

The WITNESS. I believe he went as far as the 11th grade.

The COURT. He didn't graduate from high school?

The WITNESS. No.

By Mr. GARBER:

Q. And the other boy's name is what?—A. Nick.

Q. What does Nick do?—A. He worked at the Detroit Michigan Stove Works.

Q. He was employed there through whom?—A. I prevailed upon my father-in-law.

Q. Sam Perrone?—A. Yes.

Q. How long has he been employed by the Detroit Michigan Stove Works?—A. Pretty close to a year.

Q. Would you know what he does over there?—A. That I don't know.

Q. You don't know what his work is?—A. I could tell you what I think it is.

Q. All right.—A. I think he works on the line.

Q. On the line on production?—A. On the production line.

Q. In the core department?—A. No.

The COURT. Where does he live?

The WITNESS. 9151 Crane.

Mr. GARBER. Is that where your mother resides?

The WITNESS. Yes.

The COURT. Married or single?

The WITNESS. Single.

By Mr. GARBER:

Q. Both brothers are single?—A. Yes.

Q. What happened to you after your father's death?—A. My mother and I moved to Albion, and we stayed there with my grand folks until I was five or six years old.

Q. What was your grandparents' name?—A. Nick DeAleo.

Q. And your grandmother's first name?—A. Grace.

Q. What business were your grandparents engaged in?—A. He started in the fruit business. He had a store and he was wholesaling fruit, and then when business got bad he changed the fruit store into a confectionery.

Q. That was on Superior Street in Albion?—A. Yes.

Q. You attended the grade schools in Albion?—A. Yes.

Q. Also graduated from the Albion High School?—A. Yes.

Q. What year?—A. 1937.

Q. And then did you immediately enter Albion College?—A. Yes.

Q. And you attended Albion College how long?—A. Until I graduated in 1941.

The COURT. How many years?

The WITNESS. Four years.

The COURT. Did you specialize in anything?

The WITNESS. I majored in economics.

The COURT. Did you get a degree?

The WITNESS. Yes.

The COURT. What?

The WITNESS. B. A., Bachelor of Arts.

The COURT. And I suppose they told you on graduation day, you were admitted to the society of educated men, or words to that effect?

The WITNESS. I imagine.

The COURT. That was in 1941?

The WITNESS. Yes.

The COURT. On a beautiful June day?

The WITNESS. Yes, Vandenberg was our special speaker.

The COURT. How old were you then?

The WITNESS. 23 or 24.

By Mr. GARBER:

Q. After you graduated from Albion College, then what did you next do, Carl?—A. Well, I came down to Detroit and went to work.

Q. For whom?—A. National Twist Drill and Tool.

Q. They are located where?—A. On the Boulevard and Brush.

Q. Were you still single?—A. Yes.

Q. How long did you work for them?—A. I worked for them till 1945.

Q. What month in 1945?—A. Well, I think it is either April or May.

The COURT. When did you start to work for the National Twist Drill?

The WITNESS. I believe it was in July.

By Mr. GARBER:

Q. July of '41.—A. Yes.

Q. Shortly after you graduated?—A. Yes.

Q. You continued to work until either April or May of 1945?—A. Yes.

Q. What work were you doing?—A. Mill operator, milling machine operator.

Q. What salary were you receiving?—A. When I quit I was making \$1.65 an hour.

Q. About what would that average you a day or week?—A. We were working seven days a week at that time. It was pretty close to \$100 a week.

The COURT. You didn't have very much opportunity to display your knowledge of economics on that job?

The WITNESS. They wouldn't accept me in any office position because they were afraid I would be called into the Army, and I had a mother to support and I wasn't choosy. I had to take what was available.

The COURT. You had no funds of your own at that time?

The WITNESS. Not to speak of.

The COURT. Who supported you when you went through college?

The WITNESS. Myself.

The COURT. Doing odd work around the college or town?

The WITNESS. Around the town.

The COURT. Picking up anything you could make an honest dollar at?

The WITNESS. Yes.

The COURT. Well, that was a very fine ambition on your part. You worked your way through?

The WITNESS. That's right, sir.

The COURT. To some extent?

The WITNESS. Yes.

By Mr. GARBER:

Q. When did you obtain the job with the National Twist Drill?—A. I used to work summers at the National Machine Products Company on Warren and Bellevue, I believe it is. I used to work summers there, so I could make enough money to go to college.

The COURT. What was the tuition up there in those days?

The WITNESS. I think the tuition, if I am not mistaken, was—I think it was a couple of hundred dollars.

The COURT. And you had to buy your own books?

The WITNESS. Yes.

The COURT. What did it cost you between books and tuition?

The WITNESS. Oh, I imagine in the vicinity of maybe \$500 a year.

The COURT. And you lived with you grandfather?

The WITNESS. Yes.

The COURT. And grandmother?

The WITNESS. Yes.

The COURT. And mother?

The WITNESS. My mother was in Detroit.

The COURT. You lived with your grandparents?

The WITNESS. Yes.

The COURT. What was the purpose of going up there to live with your grandparents, because you wanted to go to college?

The WITNESS. No, sir, when my mother remarried, I didn't come to Detroit with her.

By Mr. GARBER:

Q. You were about five years old when your mother remarried?—A. Five or six.

The COURT. So you were really brought up by your grandparents?

The WITNESS. Yes.

The COURT. You say they're both dead now?

The WITNESS. Oh, no, both alive.

The COURT. Living up there yet?

The WITNESS. Yes.

The COURT. Where do they live?

The WITNESS. 411 North Eaton.

The COURT. All right.

By Mr. GARBER:

Q. Now, you say you were working and supporting your mother for the reason your stepfather was dead?—A. Yes.

Q. When did you get married?—A. I got married in—well, three years ago last September.

Q. Three years ago last September?—A. Yes.

The COURT. September?

Mr. GARBER. Of '43.

The WITNESS. '43.

The COURT. So you married about two years out of college?

The WITNESS. Yes.

The COURT. When you were married you were working for the National Twist Drill?

The WITNESS. Yes.

The COURT. Getting how much now?

The WITNESS. \$65.

The COURT. What was your net worth at that time?

The WITNESS. You mean after——

By Mr. GARBER:

Q. How much money did you have?—A. Oh, I must have had three or four thousand.

Q. Is that what you had saved from your earnings?—A. Yes.

Q. That's what you had when you got married?—A. Yes.

Q. Then who did you go to live with then?—A. You mean after I was married?

Q. Yes.—A. I couldn't find an apartment and I was due for induction in October, and I stayed with my father-in-law.

Q. Where was your father-in-law living at that time?—A. Yorkshire.

The COURT. You are talking about the fall of 1943 after you were married?

The WITNESS. Yes.

The COURT. You were due for induction?

The WITNESS. Yes.

By Mr. GARBER:

Q. What number?—A. It was on Yorkshire, but I don't remember the address.

Q. Was it 1210?—A. That's right.

Q. 1210 Yorkshire.—A. Yes.

Q. And your father-in-law is Sam Perrone?—A. Yes.

Q. What is your wife's name?—A. Mary.

Q. How old is Mary?—A. She is about 23 now.

Q. What school did she go to?—A. Grosse Pointe.

The COURT. What Pointe, Grosse Pointe?

The WITNESS. Yes.

The COURT. Grosse Pointe High?

The WITNESS. Yes.

The COURT. Not the convent school out there?

The WITNESS. No.

The COURT. Your wife is now 23?

The WITNESS. Yes.

The COURT. You are how old right now?

The WITNESS. I am 28.

Mr. GARBER. As a matter of fact, aren't you 29.

The WITNESS. No; 28 last November.

Mr. GARBER. Born in 1917?

The WITNESS. I believe I am right.

The COURT. '17?

The WITNESS. Yes.

Mr. GARBER. You are 29, then, aren't you?

The COURT. Cheating yourself out of a year.

The WITNESS. Maybe I want to stay young, I believe you're right there.

The COURT. If you can clip one of those off, you will soon get down to 21 again in a short time.

The WITNESS. You can't change the appearance.

By Mr. GARBER:

Q. As a matter of fact, you are 29, aren't you? This is December, and last month was November?—A. I made a mistake. It was unintentional.

Q. All right. So then, after you were living with your father-in-law and married, you still continued to work for the National Twist Drill?—A. Yes.

Q. At approximately \$1.65 an hour?—A. Yes.

Q. Why didn't you go to the Army, Carl?—A. Well, here is what happened: I had a little stomach trouble, and I went to a doctor and at that time I weighed about 195, and he told me I had a very bad case of ulcers, as a matter of fact he told me they were on the verge of a cancer. He put me on a diet of milk for about three months, and I lost a lot of weight, and when I was inducted, naturally, I told them, so they took an X-ray and they refused to take me. They told me I had a nervous stomach and I was run down, and they would call me in three or six months.

Q. You played football up there in '41?—A. Yes, I did.

Q. What position?—A. Quarterback.

Q. You were a pretty good chap and in good shape back in '41, weren't you?—A. I felt I was. I felt I was all right.

The COURT. You're in good shape now?

The WITNESS. No, I still have stomach trouble.

The COURT. How is it they didn't call you from the fall of '43 to the summer of '45.

The WITNESS. Well, they called me in.

The COURT. Did they ever call you in between 1943 and VE-Day?

The WITNESS. They called me in '43 or early '44.

The COURT. Did they ever go after you again?

The WITNESS. About a year ago—last summer they sent me an induction notice. They didn't know I had a child, and they sent me back home.

Mr. GARBER. How old is your child?

The WITNESS. 19 months old.

The COURT. Boy or girl?

The WITNESS. Boy.

By Mr. GARBER:

Q. When did you first get the urge to go in the scrap business?—A. Well, I was open for anything I could do. I disliked working for somebody else. I would rather work for myself. I was always looking for an opening to go on my own.

Q. When did you first do something about going on your own, that is, to go in the scrap business?—A. Well, I would say 1945.

The COURT. What time did you make up your mind?

The WITNESS. My mind was made up all the time, but I actually went into it—

The COURT. I mean when you were getting interested.

The WITNESS. I talked to Mr. Martin. I knew he was in the salvage business.

The COURT. Pin it down to some historical period. In December, December 16th, I believe the German army started through the western lines, and wound up around Christmastime after the Battle of the Bulge, and through January and February of 1945, the third army under Patton and the other first army under Bradley were breaking those lines, and it turned out to be June or July or August VE-Day. Now, when the battles were the hottest in December of 1944 and January and February and March of '45, just before the push on the Rhine, and during that period, you were making up your mind to go into the scrap business.

The WITNESS. Well, I don't remember exactly whether the scrap business, but anything I had in mind—for example, I wanted to own a bar, or I wanted to do various things, and at the time I had to work, but I figured the war wouldn't last very long and I wanted to be on my own. I didn't want to work in the factory. As a matter of fact, I think it was the factory where my stomach went on the bum.

The COURT. How many hours a day did you work in the factory?

The WITNESS. Eight hours a day, seven days a week.

By Mr. GARBER:

Q. When did you first have a conversation you can recall, with Mr. Martin, about the merits of the scrap business?—A. Well, when he got out of the army—I can't tell you the exact date—but I was thinking of going into business for myself, and he was up to see us.

Q. You invited him up there?—A. He came of his own accord, as far as I know.

Q. Mr. Perrone didn't invite him up?—A. I don't think so. I believe he called up and said "hello." As a matter of fact, Mr. Perrone's young daughter was corresponding with him all the time he was in the army, and I guess he called up to say "hello," and they invited him over.

Q. All right, when would that be?—A. I think he got out of the army in 1944, and I couldn't tell you the month.

Q. Well, anyway, Charlie Martin came home and you knew he had been in the scrap business?—A. Yes.

Q. You were still working at the National Twist Drill?—A. Yes.

Q. When did you ever talk to him about going into the scrap business?—A. Like one day I was discussing the fact that the National Twist Drill—he was asking me about a rag situation. That's one of his lines, and I talked to a fellow and they told me all of that merchandise—I asked him about the rags, and at that time I guess there was very little scrap, and I told him I had a friend of mine in the rag business, and I conveyed it to Mr. Martin. I told him maybe he could do himself some good selling them rags, because he had talked about his business and I more or less became very much interested in it.

Q. You had no experience at all in the scrap business?—A. No; I didn't.

The COURT. But your father-in-law was in it?

The WITNESS. Yes.

The COURT. Did you gain any information about the scrap business from him?

The WITNESS. Not a helluva lot, excuse the expression, outside the fact he told me there was a very good profit in it.

By Mr. GARBER:

Q. All right, when did you definitely make up your mind you were going in the scrap business?—A. Well, I know at one time I was engaged trying to buy that carbonized steel there at the National Twist, because Mr. Martin told me if there is anything to the fact up there in the way of salvage, like that, there was good money to be made, and I asked about it, and they were selling it back to the source where the new product came from.

Q. Back to the supplier?—A. Yes; then I tried on my own to go out and pick up an account.

Q. What account did you try to pick up?—A. The Briggs Manufacturing account.

Q. The first account you tried to pick up was Briggs?—A. Yes.

The COURT. At that time you had no experience in that business at all?

The WITNESS. Outside of what I had gained on general knowledge from Mr. Martin.

The COURT. Were you going to take Martin in as a partner?

The WITNESS. I debated that situation and I always felt I would like to have him, but I didn't know if it was going to be enough, if there was going to be enough profit made in it, and I would let time take care of that.

The COURT. You held no promise out to him?

The WITNESS. No.

By Mr. GARBER:

Q. While still employed at the National Twist Drill you went out to the Briggs Manufacturing Company to see if you could buy the scrap?—A. Yes.

Q. Whom did you see?—A. Mr. Cleary.

Q. When did you get in to see him?—A. When?

Q. First, how did you get in?—A. I just went in and asked for him.

Q. Where did you go?—A. Mack Avenue.

Q. When you went in there, how did you get in to see him?—A. They have a man at the desk.

Q. Did you sign the register?—A. If I remember correctly—I was in there a number of times—I am pretty sure I did.

Q. What month was that?—A. It was either March or April.

Q. Well, you started to buy in April, didn't you?—A. Yes; but I approached him before I started purchasing.

Q. That's what I am getting at. When was the first time you approached him?—A. I couldn't tell you those exact dates.

Q. What is your best recollection as to the month?—A. I would say the latter part of March or the first part of April.

Q. The last of March or the first of April?—A. That's right.

The COURT. You went in there, so to speak, with no money, with an idea you would like to be in the scrap business the latter part of March 1945 or the first of April, and the first party you contacted was the Briggs Manufacturing Company?

The WITNESS. Yes.

The COURT. You didn't know Cleary?

The WITNESS. No.

The COURT. You went right in there?

The WITNESS. Yes.

The COURT. The war was on?

The WITNESS. Yes.

The COURT. Of course, you had to sign to get upstairs?

The WITNESS. I remember signing most of the time.

The COURT. You know now they wouldn't let you in or anybody else, in the place?

The WITNESS. Yes.

The COURT. Because they were handling government work?

The WITNESS. Yes.

The COURT. You went up there?

The WITNESS. Yes.

The COURT. Did you ever meet Cleary before?

The WITNESS. No, sir.

The COURT. How did you know he was the man to see?

The WITNESS. It was handled through the Purchasing Department, and he was the purchasing agent.

The COURT. You would naturally figure out, wouldn't you, if you were going to handle scrap it would be handled by somebody who had charge of the sales, just opposite to purchasing.

The WITNESS. I wanted to start with the top man.

The COURT. And you went right in.

The WITNESS. Yes.

The COURT. To develop the thing, what did you say to him?

Mr. GARBER. I would like to have some of these steps, if you don't mind, your Honor.

The COURT. Oh, sure.

By Mr. GARBER:

Q. You went in?—A. Yes.

Q. And there was a man stopped you at the desk?—A. Yes.

Q. Did you sign up?—A. I believe I did.

Q. What floor is Mr. Cleary's office on?—A. Second floor.

Q. This desk you signed up is on what floor?—A. It's in the lobby.

Q. Right downstairs?—A. Yes.

Q. Do they call back and forth between the offices of the second floor and the first floor?—A. Yes.

Q. Do you know whether this man called Mr. Cleary or not?—A. Well, he must have, because I was called in.

Q. How long did you wait for Mr. Cleary?—A. I don't remember. Oftentimes I had a long wait.

Q. I am talking about the first time now, Carl; let's stick to the first time.—

A. Mr. Garber, I don't remember.

Q. This is a big moment in your life. You are going over to sell the Briggs Manufacturing Company.

The COURT. Let's get off the record for a moment.

(Discussion off the record.)

By Mr. GARBER:

Q. All right. Anyway, this man told you you could go up to see Cleary?—A. Yes.

Q. Now, you give us just how you introduced yourself; you said you were who, and give us just what happened at that first meeting.—A. Well, I went in—

The COURT. You see, Mr. Renda we know all about it. We want you to tell us.

The WITNESS. I will tell you as accurately as I can remember.

The COURT. Yes.

The WITNESS. I approached him and naturally I gave him my name.

The COURT. Did you have a card?

The WITNESS. No.

By Mr. GARBER:

Q. You were still working over at the National Twist Drill?—A. Yes, but I didn't tell him?

Q. Go ahead.—A. I told him what my name was, and I was starting in business, and I was interested in purchasing scrap.

Q. Told him you were starting in the business?—A. Yes.

Q. You were interested in purchasing scrap?—A. Yes. He asked me what scrap, and I told him.

Q. What scrap did you tell him?—A. I said scrap, and he said, "Which?", and I said, "I am interested in all of it."

The COURT. Did you take at Albion any courses in chemistry?

The WITNESS. No.

The COURT. So if you were talking about ferrous or nonferrous metals, you wouldn't know what they were.

The WITNESS. I believe I had some general knowledge. I know what copper is. I know what brass is, and I know what aluminum is.

The COURT. We want to find out what you knew that day. We know you know something about it now. What did you know about ferrous and non-ferrous metals, and about the prices, so you could talk to Cleary?



The WITNESS. The first time I didn't talk to him about prices. I was interested in purchasing and I wanted to see his reaction to it.

The COURT. Did you know the extent of that business in scrap?

The WITNESS. Frankly, no.

By Mr. GARBER:

Q. How many trucks it would take to handle it at that time, did you know that?—A. I figured if I could get the business, I could get the trucks.

Q. With the war on?—A. That's a mistake I made.

Q. Did you know it took a crane to handle it?—A. I knew it took a winch.

Q. Did you have a winch?—A. No.

Q. You went in there and you said, "I am Carl Renda, I am interested in buying your scrap."—A. Yes.

Q. Proceed from there. You wanted to buy all of the scrap; you weren't no piker.—A. You might as well shoot high.

Q. All right, go ahead.—A. He said it was sold on a ninety-day basis, and the bids wouldn't be sent out until the first of the month.

Q. That was for the second quarter?—A. Yes.

Q. So you must have been in there ahead of April 1st, if he told you that.—A. I must have. I am telling you I don't know the exact dates.

Q. All right, go ahead.

The COURT. You remember where you first met the girl you afterwards married?

The WITNESS. Pardon?

The COURT. Do you remember where you first met your wife?

The WITNESS. Well, I knew her when she was very young.

The COURT. You remember the night or the day, whatever it was, you got engaged to her? Of course, if you had ten wives, you would get all mixed up, but you only had one.

The WITNESS. I would say it was a year before I married her.

The COURT. You remember the day you filled out the questionnaire from the Government, under the draft?

The WITNESS. I was in school at that time. I believe it was either October or November.

The COURT. Did you carry that card around with you?

The WITNESS. Always.

The COURT. Have you got it with you?

The WITNESS. Yes.

By Mr. GARBER:

Q. Did Albion beat Hillsdale in 1941?—A. Oh, yes.

Q. What was the score?—A. 19 to 6, I believe.

Q. Now, you remember that and you are going in to ask a man for the biggest deal you ever tried to put over in your life. Let's have the story.

The COURT. And the very first deal.

Did you ever try to put a deal over before that one, in scrap?

The WITNESS. No, no, I never did outside of the time I was interested in purchasing this carbonized steel.

By Mr. GARBER:

Q. All right, let's stick to this conversation.—A. Your Honor, I didn't know the first time I went in there, I was going to wind up with that steel.

Q. Well, all right. What time of the day was it?—A. I usually went to see him in the morning.

Q. What time, the first time?—A. I don't know what time it was.

Q. And you don't know what month it was?—A. Not accurately, no.

Q. All right, you have got yourself introduced. You want to buy all the scrap, so now let's hear the rest of the story. What did you tell him?—A. He told me inquiries were sent out only each ninety days.

The COURT. You mean notifications to submit bids?

The WITNESS. Yes, that if I was interested I could be put on the mailing list.

By Mr. GARBER:

Q. Were you put on the mailing list?—A. No, not at that time I don't think I was.

Q. Go ahead. What else was said?—A. I told him I was in the scrap business.

Q. You told him you were in the scrap business?—A. Yes, and I wanted more business.

The COURT. Were you?

The WITNESS. No, he took it for granted—well, after all, I am going to buy something, trying to purchase scrap, and if I let him know I didn't know anything about it. I certainly am not going to wind up with it.

The COURT. So you gave him a sales talk?

The WITNESS. Yes.

By Mr. GARBER:

Q. What did you tell him you went there for?—A. He asked me what type of scrap, and I said all of it. He said you mean the paper and nonferrous; I told him yes. What I lacked in knowledge. I knew Mr. Martin would back me up, so he told me I would be put on the mailing list and I told him I probably wouldn't have a chance that way.

Q. As a matter of fact you wouldn't have had, would you?—A. No, your darned right I wouldn't have had. I wouldn't have anywhere in the city or anywhere else, and he told me, "well, what do you have in mind?" And I told him, I told him to give me a tryout. I don't know what they were paying for it, for the scrap, and I told him, in the long run, I thought they would be making more, and he asked me what made me think so, and I said, "you may not be getting an even count."

The COURT. What?

The WITNESS. Maybe they're cheating on you.

The COURT. You said that to him?

The WITNESS. Yes.

The COURT. He was a pretty bright man?

The WITNESS. Yes.

The COURT. Clean cut?

The WITNESS. Yes.

The COURT. Appeared to be in fine health?

The WITNESS. Yes.

The COURT. In the prime of life?

The WITNESS. Yes.

The COURT. You are telling him maybe somebody is dealing at a low price?

The WITNESS. I didn't say low price.

Mr. GARBER. Short weight?

The WITNESS. Not necessarily short weight, because they have their own scales, but substituting one material for another.

The COURT. Where did you get that idea?

The WITNESS. It seems to be a prevailing type of thing being done.

The COURT. You didn't know anything about the business. Where did you get the idea?

The WITNESS. From Mr. Martin.

The COURT. Mister who?

The WITNESS. Mr. Martin. After all, he had been in the scrap business for eighteen or twenty years.

By Mr. GARBER:

Q. He didn't know anything about the metal business?—A. Scrap is scrap.

Q. No, it isn't. He is a rag and paper man.—A. Yes.

Q. He didn't know anything about the metals?—A. Yes.

Q. How did Charlie Martin know they were doing that?—A. I didn't say they were doing it in that specific plant, and, as a matter of fact, Cleary was dissatisfied with the way the salvage account was being handled.

The COURT. Why?

The WITNESS. Because, when I told him perhaps there was cheating going on, he said, "There is a little monkey business going on, and I haven't had time to check into it, but I am going to."

By Mr. GARBER:

Q. What else was said?—A. I asked him to give me a break. I told him I would be honest with him, I would watch everything closely, and I would see nothing went wrong, to give me an opportunity to break in there, and he said he would check into it, and asked me to come back the same week or the following week.

Q. Did he say he would give you all of the plants?—A. No.

The COURT. Did he ask you where you lived?

The WITNESS. I don't think he did.

The COURT. Did he ask you where your place of business was?

The WITNESS. I don't believe he did.

The COURT. Did he ask you if you had a rating in Bradstreet?

The WITNESS. No.

The COURT. Did he ask you if you had a bank account?

The WITNESS. No.

The COURT. Did he ask you how many employees you had?

The WITNESS. No.

The COURT. Did he ask you if your business was a partnership or running under an assumed name, or whether it was a corporation?

The WITNESS. He did not.

The COURT. Did he ask you where your business was located?

The WITNESS. I think I gave him my home address, as far as that goes.

The COURT. He was an old Detroit'er?

The WITNESS. Yes.

The COURT. What address did you give him?

The WITNESS. My home address.

The COURT. What is that?

The WITNESS. 871 Beaconsfield.

The COURT. You would give him credit in knowing that was a residential place?

The WITNESS. Yes.

The COURT. Give him a phone number?

The WITNESS. Yes.

The COURT. What was that?

The WITNESS. The phone number that belonged to my father-in-law.

The COURT. Is it listed in your name?

The WITNESS. No, I couldn't get a phone.

By Mr. GARBER:

Q. Listed in the name of Sam Perrone?—A. Yes.

Q. Did you tell him you were a son-in-law of Sam Perrone?—A. No.

Q. Did he know it?—A. Not as far as I know.

Q. Did you represent to him you are well known among the Italian people?—A. No.

Q. Did you represent to him you were king of the wops?—A. No, I am nothing like that.

The COURT. Did you tell him that?

The WITNESS. No.

By Mr. GARBER:

Q. I didn't say you were, but did you tell him that?—A. No.

Q. Did you represent yourself to be?—A. No.

Q. All right, now, what else was said that day?—A. Well, that day—

Q. You were alone that day?—A. Yes, I am pretty sure I was.

The COURT. Are you sure?

The WITNESS. I am positive. I am pretty positive.

By Mr. GARBER:

Q. Who could have been with you, if you weren't alone?—A. Mr. Martin.

Q. All right, what else was said.—A. So I left the office, and I went back and I found he had a bid for me.

Q. Who had a bid for you?—A. He did. He gave me the nonferrous, the ferrous, paper, and I believe that's all it consisted of at that time. They had oily rags, textiles.

Q. How long would you say you were in there the first time, Mr. Renda?—A. I would say about ten or fifteen minutes.

Q. How long before you went back to see him again?—A. It wasn't over three or four days.

Q. When you went back, Mr. Cleary had taken time off as a director of purchases of the Briggs Manufacturing Company, and he had himself prepared a bid, all of those things a long list of the items they sell as salvage, for you, and presented it to you.—A. He didn't have to have it prepared. They have those.

Q. Well, he prepared one for you?—A. That's right.

Q. You didn't prepare it at all?—A. That's right.

Q. He prepared it, and added on the list of bids?—A. Yes.

Q. Who put it on there for him?—A. What do you mean?

Q. Who typed it on the list?—A. The only thing they do is give you a letter saying bids are being opened for the second quarter, first quarter, whatever it is.

Q. Yes, I know that.—A. And they give you a list of items. It is a mimeographed sheet.

Q. He made it up for you?—A. No; because it was a mimeographed sheet I got.

Q. Did he give it to you?—A. Yes.

The COURT. Have you got it now?

The WITNESS. I don't know whether I do or not.

By Mr. GARBER:

Q. So without your going to the bother of preparing or finding out the price of all those items, Mr. Cleary himself wrote it down for you?—A. Yes.

Q. And then you were given that contract?—A. No, sir.

Q. Did you sign that bid?—A. Yes; I did.

Q. How long after?—A. Well, the following quarter.

Q. You got it for the following quarter?—Yes.

Q. That was the second quarter of 1945?—A. Yes.

Q. Starting April 1st?—A. Well, I don't remember.

Q. It would be April, May, and June, wouldn't it?—A. Yes.

Q. You got then, from Mr. Cleary, some bids and the amounts he put down there for you?—A. Oh, no.

Q. Who did?—A. Mr. Martin and I worked on those together. I asked his advice on it, and he checked on it, and I think he approved it, and the first outfit I sold metal to myself—

Q. Let's stick to the contract now.—A. That's what I am coming to.

The COURT. You are working out now prices you are willing to buy this scrap for?

The WITNESS. Yes.

The COURT. Ferrous and nonferrous?

The WITNESS. Yes.

The COURT. Admittedly you didn't know anything about the business?

The WITNESS. That's right.

The COURT. Therefore, you couldn't assist Martin.

The WITNESS. Martin assisted me.

The COURT. Martin wasn't in that business either. He was in paper scrap.

The WITNESS. That's correct, but these people come in contact with each other, because they always pick up some types of surplus salvage, one thing and another, that one or the other can use, and he is the one who contacted United Metals.

The COURT. When you were there the first time, did you ever hear of the Woodmere Iron and Scrap?

The WITNESS. Woodmere Scrap?

The COURT. Had you ever heard of them?

The WITNESS. I had gone by their place.

The COURT. Did you know they had a contract with Briggs that time?

The WITNESS. I did not.

The COURT. Did you know the Continental had a contract?

The WITNESS. No; I didn't.

By Mr. GARBER:

Q. Now, I will show you Grand Jury Exhibit 3, and ask you if Mr. Cleary didn't put those figures on there for you, and put your name on there, and added that on to it?—A. These prices here were prices that I quoted.

Q. You didn't quote here where he put the pencil marks?—A. He wasn't satisfied with the price I had quoted. He thought I could do better.

Q. How come he added that on there like that for you? What had you told him? Why were these bids added on by Mr. Cleary?—A. He wanted to give me the business. Some of them were lower, and some of them were higher. The list shows there.

Q. Why did he do that? You had a 10-minute conversation with him.—A. He wanted to help me.

Q. Why?

The COURT. What's the story behind that attempt to help you.

The WITNESS. He wasn't getting an even break with the people handling the merchandise.

By Mr. GARBER:

Q. You never saw Mr. Cleary before that day you walked in there?—A. That's right.

Q. Yet Mr. Cleary, out of a clear sky, absolutely knowing nothing about you, except a 10- or 15-minute conversation, was willing to have Mr. Burt, his secretary, put all of his stuff on there, or have it done for you, and hand different figures on there, and he gave you that contract. Why?—A. That didn't happen the first time I was there. As a matter of fact, he took me in to see Mr. Robinson.

Q. How did you get an appointment with Robinson?—A. Mr. Cleary made it.

Q. When?—A. The times I went up there.

Q. The first time?—A. No; it couldn't have been the first time.

Q. How many time had you been up there before you contacted Mr. Robinson?—A. I would say about two or three times.

Q. And he took you in to Mr. Robinson's office?—A. Yes.

Q. You were introduced to Dean Robinson, president of the company?—A. Yes.

Q. What had transpired between the first time you saw Cleary and the time he took you in, and you met the president of the Briggs Manufacturing Company?—A. What transpired?

Q. Yes, what had happened in the meantime?—A. Between the time—

Q. Between you and Cleary. You never saw Cleary before in your life. You went up there and told him you were a nice young fellow, you wanted to break into the business, talked to him ten or fifteen minutes, and you came back in, in a day or two with some bids, and somehow arrangements were made where you personally, the fellow working at the National Twist Drill at \$1.65 an hour, was taken in and presented to Dean Robinson.—A. He took me in and he said, "Here is a young gentleman wants to get in the scrap business, wants our metal. We are not getting a fair count with the people handling our accounts now, and I would like to give him a chance." Mr. Robinson said, "That's your department, use your own discretion. It's all right with me."

Q. So Dean Robinson said it was O. K.?—A. He said it was "up to you to handle it to the best of your ability."

Q. Did Dean Robinson ask you where you came from?—A. Not a thing. I wasn't in his office very long.

Q. Ask where you were employed, your place of business?—A. I guess he took it for granted Cleary know all of that information.

Q. What did Cleary know about you by this time?—A. I don't know what checking he did.

The COURT. What record or what could they have checked? Suppose he checked right in as to your ability, background, knowledge, and experience of business, your financial capacity to carry it out? What could he find out if he did make that inquiry?

The WITNESS. Only what I told him.

The COURT. What did you tell him?

The WITNESS. I told him I was both financially and able to handle the account.

The COURT. How?

The WITNESS. That was my problem but I didn't tell him that. I told him I would be able to take care of the account.

The COURT. Was that the truth?

The WITNESS. I figured it could be handled without too much capital.

The COURT. How?

The WITNESS. Because you pay for your merchandise once every two weeks or once a month, and you sell and immediately collect on the spot.

By Mr. GABER:

Q. Well, after this conversation with Dean Robinson, what happened?—A. Then, that is when we started working out those prices, and he told me he would give me a tryout, and he started out, I was just going to get the Mack plant, and I told him "as long as you're going to give me the Mack Avenue plant, you might as well give it all to me, I am going to run into a lot of competition," and he finally consented to give me all the plants.

Q. So he agreed to turn all of the plants over to you?—A. Yes.

Q. To handle the scrap?—A. Yes.

Q. And a 3-day tie-up in the removal of the scrap would shut the plant down.—A. I imagine so.

Q. For a hard-headed businessman like Mr. Cleary, he took a chance of tying down that plant and gave you the contract.—A. That has been done before.

Q. Maybe it has.

The COURT. You believe that?

The WITNESS. Yes, you will find a lot of people put bids in, don't have a yard, and don't have trucks.

The COURT. Well, we will take that up before you leave here tonight.

By Mr. GARBER:

Q. Then what happened?—A. I had an outlet for my aluminum scrap iron, and I ran into a little difficulty. It seems as though they had an association and I more or less had a boycott.

Q. In other words, the fellows in the association didn't want to buy your metal?—A. They wouldn't let me use the equipment. Anyone would buy my metal, or scrap iron, if I delivered it to their yard.

Q. But you didn't have trucks and you couldn't remove it in a bushel basket, could you?—A. No.

Q. All right, what did you do?—A. First of all, I had met Mr. Freedman.

Q. When did you meet him?—A. When the bid was awarded to me.

Q. Before we get to Mr. Freedman, the judge wants a point cleared up. How were you awarded this bid?—A. Well, I was notified either through Mr. Cleary's office or through George Herbert's office.

Q. In writing?—A. Yes; I am positive it was.

Q. When did you first meet George Herbert?—A. Mr. Cleary told me to go down to see George Herbert, he was head of the salvage.

Q. What did you tell George Herbert?—A. The first time I didn't tell him anything. He bawled me out.

Q. What did he say?—A. He didn't know why they should make a change, take a chance, and he was dissatisfied I had got that.

Q. What did you do?—A. I went back to see Mr. Cleary, and I told him I was awarded this merchandise.

The COURT. What evidence did you have, at the time you were talking to George Herbert, that you had been awarded this business?

The WITNESS. Pardon?

The COURT. Did you have anything in writing from the Briggs Manufacturing Company signed by Cleary, or a contract?

The WITNESS. I believe it was a phone call by Mr. Cleary to come in and see him, and he, in turn, told me to go down to see George Herbert.

The COURT. When you were talking to George Herbert, you didn't have a scrap of paper to show you had the contract?

The WITNESS. No, but he was notified.

By Mr. GARBER:

Q. Who notified him?—A. Must have been Mr. Cleary.

Q. He didn't like the deal?—A. No.

Q. What did he say about the deal?—A. Well, he bawled me out, more or less. He said he didn't understand why they should give me the scrap, and he was arguing about the price.

Q. What did he say about the price?—A. He didn't understand why they should give it to me, because some of my prices were more.

Q. Those were the prices Mr. Cleary had typed on that bid?—A. A majority of those prices were prices I had given him.

Q. That is what Mr. Cleary had added on to that exhibit I showed you, exhibit 3?—A. Yes.

Q. You didn't have a letter or contract, but you went down to see Herbert about it, and Herbert didn't like it, because the bids were lower than he could have received from other bidders?—A. Well, he had his pets in there, like other salvage men, and he resented my going in there.

The COURT. Who were they, the ones who had the contract right then?

The WITNESS. I guess so.

The COURT. Who were they?

The WITNESS. Continental Metal, Woodmere.

By Mr. GARBER:

Q. You are dealing with them?—A. Yes, Silverstine, Levine, and I believe that's about all.

Q. Those were his pets, Herbert's pets?—A. That's the way I understood it.

Q. You had forwarded Mr. Cleary there might be something a little bit wrong in that?—A. Yes.

Q. Until after you got the contract, then you lined up with Herbert's pets?—A. I had to.

Q. They were his pets?—A. Yes.

Q. And he wasn't doing things just right with the Briggs Company, so you get the contract and you line right up with them?—A. Yes.

Q The same old pets?—A. Yes.

Q. Levine?—A. No.

Q. Woodmere?—A. Not Levine.

Q. Well, Woodmere?—A. Yes.

Q. We know where you sold your waste paper.—A. Yes.

Q. You're doing business with the pets now your own way?—A. Yes.

Q. So, after he complained about these figures being low, you went back to Cleary?—A. Yes; I wanted to know what the trouble was.

Q. Did Cleary take you over to Dean Robinson again?—A. No.

Q. How many times were you in Dean Robinson's office?—A. Up to that time once, outside of a couple of weeks ago.

Q. What did Mr. Cleary do when you went back, and said you weren't getting any cooperation from George Herbert?—A. He called George Herbert into his office.

Q. Were you present?—A. Yes.

Q. What did he say?—A. He told George that material had been awarded to me, that it wasn't his business to bawl me out and tell me what was what.

Q. He was to do as he was told?—A. Pardon?

Q. He was to do as he was told? And deliver you the stuff?—A. Yes.

Q. What date was that?—A. The same day that the scrap was awarded to me, I believe.

Q. What date was that?—A. Well, I am going to take a guess. I think it was April 7.

Q. That's when your books would start, wouldn't they?—A. Yes.

Q. Where are your books?—A. At my office, and I have last year's at home.

Q. That would be your first business deal in the scrap after this was awarded to you?—A. Yes.

The COURT. You say April 7. You mean April 7, 1945?

The WITNESS. Yes.

By Mr. GARBER:

Q. So now you have the contract, Mr. Cleary had given orders to Mr. Herbert you were to have it?—A. Yes.

Q. You still haven't any trucks or cranes or equipment to handle it for you?—A. I thought I did.

Q. You still haven't up to this time?—A. No.

Q. What did you do?—A. At that time I had already had an agreement with a metal company.

Q. What metal company?—A. United Metal, and I had talked to Kramer and Orloff, and we got our wires crossed up. At the time I thought he told me he would service the account for me, and then he wasn't able to do so, because the association prevented him from doing so.

Q. Now, Kramer—what was that last name?—A. Orloff.

Q. Kramer and Orloff is the outfit which buys Sam Perrone's stuff.—A. Yes.

Q. Who are the United Metals?—A. Dubinsky.

Q. What deal did you make with them?—A. I had an agreement with them on a 90-day basis.

Q. When did you make that deal?—A. I went to these people—rather Mr. Martin was the one opened the way up for me, and he took me in.

Q. Was that before you were awarded the contract?—A. Yes.

Q. You made a deal with them to handle this material?—A. Yes.

Q. You were pretty sure you were going to get it?—A. I was going ahead and prepare for the eventuality.

Q. You made this deal with the United?—A. Yes.

Q. They were to haul the stuff?—A. Yes.

Q. Did they have cranes?—A. They didn't need cranes.

The COURT. What kind of a deal did you make with United?

The WITNESS. I told them the price I had to get, and they said they couldn't make payments on it, but they were interested in new accounts, and they would take care of the account for me.

The COURT. The entire contract you got, they were going to take over?

The WITNESS. Just the metals.

Mr. GARBER. Nonferrous?

The WITNESS. Yes.

The COURT. How did you fix the price you were going to sell to that firm?

The WITNESS. I fixed it on the basis of what I put in my bid, and give myself a profit.

The COURT. Anybody help you figure the profit?

The WITNESS. Yes; Mr. Martin.

By Mr. GARBER:

Q. What happened to that deal?—A. Well, he hauled it for me, I think, for a couple of weeks, and he said he was losing money.

Q. At the price you were charging?—A. Yes; he seemed to feel they were mixing the material up, and he couldn't make out on it, and he said he would stick to his written agreement for 90 days, but he would be tickled to death if I would let him out, and in the meanwhile Max Temchin got in touch with Mr. Martin, and he was interested in the account, and we talked it over, and I got together with them.

The COURT. Who is Max Temchin?

The WITNESS. He is connected with Continental Metals.

The COURT. The Continental Metals contracts are nonferrous?

The WITNESS. The first quarter.

The COURT. And for some years before that time?

The WITNESS. Yes.

The COURT. After you got the contract you contacted them to take it off the hands of United?

The WITNESS. I didn't contract or contact them.

Mr. GARBER. You got together?

The WITNESS. Yes.

The COURT. Martin contacted them?

The WITNESS. I believe they contacted Martin.

By Mr. GARBER:

Q. Did you go out there yourself and enter into a contract with them?—A. Yes.

Q. Why did you get Sam Perrone to go along?—A. Because he happened to be along, and I asked him did he want to come along for the ride. He was around when we started out.

Q. Did you take him along for the club?—A. No, sir.

Q. To drive through a good deal?—A. No, he didn't say two words all the time he was there.

Q. Well, if you have a heavyweight sitting by, you don't have to argue very much, do you?—A. Those people I don't imagine even knew Sam Perrone.

Q. Everybody in the scrap business knows Sam Perrone and his background, but you did take him along?—A. Yes.

Q. He was there, and you signed up a pretty good deal with Continental; didn't you?—A. I signed up with them; yes.

Q. So that took that off your chest?—A. Yes.

Q. At a good profit?—A. Yes, at a profit.

Q. They did all of the hauling, had all the headaches, and you made a nice profit on them?—A. Considering the account, I couldn't say I made a nice profit.

The COURT. Well, did it average over \$1.15 an hour?

The WITNESS. Yes.

The COURT. We are all over 21 here. You had no money when you went in there?

The WITNESS. That's right.

By Mr. GARBER:

Q. When was the next contact you made, in order to get rid of this scrap?—A. Somebody told Louis Freedman this was awarded to me, and Louis Freedman got in touch with my father-in-law.

Q. Sam Perrone?—A. Sam Perrone, and asked him if he could see him. So he went down to see him.

The COURT. What is Louis Freedman's firm?

The WITNESS. Woodmere Scrap Iron and Metal.

By Mr. GARBER:

Q. How did Louis Freedman happen to contact Sam Perrone?—A. I couldn't tell you. He knew I was Italian, and he called him and asked him if he knew Carl Renda.

Q. They didn't know who you were?—A. That's right.

Q. After he called Sam Perrone, did Sam go down alone or did you go?—A. He went down alone.



Q. Sam went down alone?—A. Yes; they asked him if he knew me, and he said, "Yes," and they said we would like to meet him, and he said, "That can be arranged, supposing we meet at the Statler," so when we went there—

Q. Who was there?—A. Louis Freedman, his brother, myself and my father-in-law.

Q. Sam Perrone?—A. Yes.

Q. What deal—all right, go ahead, tell us what happened.

The COURT. What part of the Statler?

By Mr. GARBER:

Q. Did you have a private room at the Statler, or where did you meet?—A. In the bar.

Q. What happened?

The COURT. In the cocktail lounge?

The WITNESS. Yes; so he was interested in getting scrap, and he said, "You can't eat it, why don't you sell it to me?" At that time I was reluctant to sell it to him because I thought I was going to make a deal with Kramer and Orloff. Anyway, meanwhile the association got together and more or less put a boycott on me, so they couldn't handle it that way, so we got together, Charlie and I got together with Freedman, and at that time it was undecided whether he wanted to make a deal with me. He said, "Maybe if I don't give you my equipment, maybe you can't handle this account, so I was prepared to go and rent trucks."

By Mr. GARBER:

Q. Isn't that where Sam came in and said, "You had better do business with my boy, or else"?—A. No; I don't—he didn't threaten them.

Q. You were having trouble because of this boycott?—A. Yes.

Q. And this boycott has been going on for years?—A. Yes.

Q. And you are bucking it?—A. Yes.

Q. And the only thing you have to buck it with is Sam Perrone, isn't it?—A. No.

Q. What did you have?—A. I didn't have anything but nerve.

Q. Anyway, Freedman saw fit to do business with you?—A. Yes.

Q. On your nerve?—A. Well, better than doing nothing.

Q. So he started to take your scrap out of there?—A. Yes.

Q. How many days did this scrap pile up in there before he started taking it out?—A. About two days.

Q. About two day there it hadn't been hauled?—A. Yes; there were two or three loads taken out.

Q. Was there a considerable pile up there?—A. George Herbert told me there was.

Q. Did Briggs complain you had the contract and weren't getting it out?—A. George Herbert did, but by that time I had got together with Freedman, and it was being taken out and Cleary called me in, and I told him it would be taken out and everything run smoothly.

Q. Where did he call you?—A. In his office.

Q. Where did he get in touch with you?—A. At home.

Q. On this Perrone phone?—A. Yes.

Q. What gave Freedman the nerve to buck the combine?—A. He wasn't bucking the combine.

Q. Wasn't he?—A. Here is the situation: I could sell to any scrap dealer in Detroit as long as I would deliver it. The boycott evolved around the fact of them renting me out their equipment.

Q. They did do that, Woodmere did?—A. Yes.

Q. Let you use their crane, trucks and drivers, and took the stuff out and paid you a profit on it?—A. Yes.

Q. What made them break this agreement, this combine?—A. Well, the only thing, and this is merely an assumption on my part, they had commitments that they would have to fill and they wanted the scrap very badly, and they didn't know exactly what I had up my sleeve, they didn't know what I was going to do with this scrap, and they didn't know how much money I had.

Q. They were all Jews and you fellows were all Italians?—A. I am Italian; yes.

Q. So is Perrone and everybody else pretty near, back of you, Italian?—A. I had no one behind me, but myself. I had Martin, and he is a Jew.

Q. Anyway, they took the deal and started hauling it off?—A. Yes.

Q. How much profit did they pay you per ton, and handle it themselves?—

A. I believe it was \$2 a ton at that time.

Q. And could have run up to two and a half a ton?—A. Later on; yes.

Q. So that's the way the deal started?—A. Yes.

Q. So that the same people you say Mr. Cleary thought might be mixing scrap, they got better scrap in the mix, and the over-all picture was better, and the same men, so far as the ferrous and nonferrous metals were concerned, were still taking it out with a profit to you?—A. Yes.

Q. Now, you made a deal on the paper?—A. Yes.

Q. Previous to that they picked the paper up at the various plants?—A. Yes.

Q. You made a deal with Cleary all of the paper be delivered at one plant?—A. Yes; I had asked Mr. Cleary—first the OPA allowed a dollar a car loading, and I asked if they could take that out in carload lots, that I would be able to give him a dollar more a ton.

Q. If he loaded it?—A. Yes.

Q. Do you know what it cost them to load it?—A. I know now, that you have told me. I don't know where you got your figures from; anyway, they took all the paper to one plant and loaded it on cars for us at \$1 a ton. It's a lot easier for them, because due to the fact they have to wait at these plants to get a good truckload. The Meldrum plant, they have a very small salvage department. The Conner also the same thing. As a matter of fact they had to leave it outside there at times, and it would get wet, and at the 8-Mile Plant they had the same trouble, so it was to their advantage, in a way. They would bring it in to some of these other plants and load it in carload lots. All of these other factories do the same thing.

Q. Who arranged that deal?—A. I did.

Q. And resold that on a brokerage?—A. Yes.

Q. To the Monroe Waste Paper?—A. I think the first time I sent it to Monroe. I have sent some to Consolidated and on a couple of times I sent some to Toronto, Ohio.

Q. Now, one time you lost the nonferrous metals?—A. Yes.

Q. How long?—A. Three or four months.

Q. One quarter?—A. Yes.

Q. You lost out to Continental?—A. Yes.

Q. And then you came back and took it away from them?—A. Yes.

Q. And you have had it ever since?—A. Yes.

Q. You still have it?—A. Yes.

Q. There haven't been any changes in your prices in how long?—A. I changed my price on the metal December 1st with Briggs. Up to that time there was hardly any coming in anyway, and this nonferrous metal was different than scrap iron.

Q. You tried to buy yourself 25 tons of ingots out there, a short time ago?—A. Yes.

Q. Who did you go to see on that?—A. Cochrane.

Q. Is that the first time Cochrane knew about your contract?—A. No; I think I was called in once before. I am pretty sure it was and they had their attorney there.

Q. What was his name?—A. I don't know. He was a little fellow.

Q. Was his name Stone?—A. Yes.

Q. What did Stone do?—A. He just sat there and Mr. Cochrane asked me a few questions.

Q. What did he ask you?—A. The main topic was the spread between the price, the selling price, and what I was paying for loose sheet clips.

Q. There was quite a difference?—A. It was less than six.

Q. \$6 a ton?—A. Less than six.

Q. What was said about why you weren't paying more?—A. I explained the number of men involved to load this material, the equipment I had to buy, and whether the scrap was there or not, and I explained it to them in such a manner, I convinced them, and the lawyer said, "It sounds all right to me."

Q. You weren't spending any of that money at all?—A. I was not. I was making my profit on it.

Q. So it wasn't costing you anything to have that done?—A. No.

Q. Who drew your contract?—A. Charles Martin and I worked on it.

Q. How many contracts did you draw?—A. I drew one with Continental Metals.

Q. No; I am talking about the Briggs contract.—A. Oh, well, the first contract you have there was unsatisfactory.

Q. Who did you bring it to?—A. Mr. Cleary.

Q. What was the matter with it?—A. He didn't like some of the provisions in there.

Q. What were they?—A. I couldn't tell you. One thing, I wanted to get the bundle of steel and pay the selling price and make a profit, and he couldn't let me have it, and I wanted to get salvage material and he couldn't put it on the contract, and I wanted to leave that open, and the second time I wanted the contract, I left it, and he called me in a couple of times to ask me about it, and finally he signed the contract.

Q. When did he sign it?—A. I couldn't tell you the exact date.

Q. What year?—A. That was last year.

Q. Last year?—A. I am pretty sure it was.

Q. What time last year?—A. I believe it was in August.

Q. Last August?—A. Yes.

Q. Is your contract dated?—A. I believe it is.

Q. You believe it is.—A. No; I don't think so, because I didn't know whether he was going to accept it or not. I really couldn't swear to it.

Q. You have looked at it a lot of times?—A. I don't refer to it very often.

Q. Well, was it accepted?—A. No.

Q. Whose names appear on it?—A. Mr. Cleary and myself.

Q. Mr. Cleary?—A. Mr. Cleary.

Q. Has it got the seal of the corporation on it?—A. No; I never noticed the seal.

Q. You don't know whether it is dated or not?—A. I couldn't swear to it.

Q. But to the best of your knowledge, it was signed in August of 1945?—

A. I think so.

Q. And you have been working on that basis ever since?—A. Yes.

Q. Now, do you know Mr. Fry?—A. Yes.

Q. How many years have you known Fry?—A. Just about since I have been married.

Q. About three years?—A. Yes.

Q. Mr. Fry attended your father-in-law's brother's daughter's wedding?—A. Yes.

Q. That was how long ago?—A. I believe it was the 10th of last month.

Q. 10th of November?—A. No; it wasn't that either. It was only recently, two or three weeks ago.

Q. Does he attend most of the social functions of the Perrones?—A. No; we don't go for that.

Q. That was quite an event.—A. Yes.

Q. Did he attend your wedding?—A. No.

Q. Did Mr. Fry give you a letter of recommendation, or Mr. Perrone a letter of recommendation over to the Briggs Manufacturing Company?—A. No.

Q. To help you get that contract?—A. No.

Q. What is the basis for Briggs giving you that contract?—A. Well, here's the way it is: I am around those big plants all day, and every day. I am supposed to check everything that does onto those trucks, know what is going onto those trucks.

Q. As a matter of fact, you don't spend over 10 minutes a day in any one of those plants.—A. I am in those plants every day.

Q. For how long, ten minutes?—A. As long as I am required there.

Q. How long?—A. I have been in there half an hour, an hour and a half sometimes.

Q. The whole day?—A. In one plant and another plant, all around. I concentrate my visits to the Mack Avenue plant and to the 8-Mile Road plant, because that's where most of the stuff comes from.

Q. How much have you paid Martin for all of this work? A. I haven't given him anything.

Q. You haven't been very generous with him, have you?—A. I gave him some business.

Q. How much?—A. I sold him my blue wadding kirksite, and I sold him some wool.

Q. How much business have you given him for all of this work?—A. Not very much.

Q. You haven't been very generous with him?—A. No, I will compensate him later on.

Q. You take out \$150 a week out of that business?—A. Yes.

Q. And your wife takes out \$100?—A. Yes.

Q. Where is the rest of the money?—A. In the bank.

Q. In whose name?—A. Well, it's in our name.

Q. Now, this thing was profitable from the first day?—A. Yes.

Q. Why did you have to borrow \$30,000 from Sam Perrone?—A. I had to buy equipment.

Q. How much did that equipment cost?—A. It cost me in the vicinity of forty-thousand dollars.

Q. You didn't buy that equipment until about six months ago. A. That's right.

Q. Did you pay cash?—A. Yes.

Q. It's all paid for?—A. Yes.

Q. Title in your name?—A. Yes.

Q. And that is rented out to the Woodmere?—A. Yes.

Q. At \$1 a ton for every ton hauled?—A. Yes.

Q. They maintain it, furnish the drivers and part of the insurance?—A. No, I cover them with insurance.

The COURT. They do, too.

By Mr. GARBER:

Q. As a matter of fact, your insurance is so low they carry additional insurance to protect themselves.—A. What do you mean "is so low"? This is something I don't know.

Q. There are a lot of things you haven't told us yet.—A. My insurance on those trucks run about \$2,400 a year.

The COURT. How many trucks?

The WITNESS. Eight.

By Mr. GARBER:

Q. How many do they have?—A. Five.

Q. What do the rest of them do?—A. Pick up trim and so forth, and I keep one in an emergency, if something goes wrong.

The COURT. You leased those trucks down to Woodmere?

The WITNESS. Yes.

The COURT. What do you get for them?

The WITNESS. A dollar a ton.

The COURT. How much does it cost you to maintain the trucks?

The WITNESS. They maintain the trucks.

The COURT. That is a dollar profit?

The WITNESS. It isn't all profit.

The COURT. Well, the depreciation on the trucks. They maintain the trucks?

The WITNESS. Yes.

The COURT. They pay the drivers?

The WITNESS. Yes.

The COURT. Pay for the gas and oil?

The WITNESS. Yes.

The COURT. Tires?

The WITNESS. Yes.

The COURT. What is the charge to you?

The WITNESS. Depreciation. After all, I am entitled to something in rent; if I rent those trucks out to various concerns, I would be getting more than that a day.

By Mr. GARBER:

Q. How many tons do they haul a day in those trucks?—A. It varies from time to time, but I would say anywhere from 50 to 100 tons a day.

Q. Those five trucks are making you from 50 to 100 dollars a day?—A. Yes.

Q. How many tons of ferrous metal have you hauled away from Briggs under this contract?—A. I have hauled only one good deal out of there. I didn't make much on it. It was aluminum ingots that I bought immediately after the war.

Q. Let's stick to the contract. That was a side deal?—A. I haven't hauled much because after the war they didn't have much nonferrous metal.

Q. How much will you make this year off that contract?—A. I will say roughly between forty-three and forty-eight thousand dollars.

Q. So you haven't hauled much in nonferrous. I am talking about under the terms of your contract?—A. Yes, I have hauled quite a bit.

Q. So you make somewhere between forty and fifty thousand dollars on this deal?—A. Yes.

Q. With no equipment?—A. I have my equipment.

Q. You are getting extra for that.—A. That goes in the forty or fifty thousand.  
Q. And was made outside of the truck deal. How much would you say in the 50,000, your trucks at a dollar a ton, was in that? How much does that amount to?—A. You mean another deal?

Q. No, you said the fifty thousand included the sale of scrap?—A. Yes.

Q. And how much you made on the trucks?—A. Yes.

Q. How much will the trucking amount to?—A. I would say anywhere from fifteen to twenty-five hundred a month.

Q. How much is that a year?—A. Well it runs pretty close to \$30,000.

Q. Just on the trucking, and you mean you only get twenty thousand from the scrap?—A. I have an overhead.

Q. All right, what is that overhead?—A. I have a yard leased.

Q. At how much?—A. \$250 a month.

Q. What else?—A. I have a stenographer and I give her \$50 a week.

Q. What else?—A. My brother works for me and I give him \$65 a week; I have my telephone, my insurance.

Q. Yes?—A. And any miscellaneous.

Q. How much does your insurance amount to?—A. Pretty close to \$2,500 a year.

Q. All right, what else?—A. Well, of course, regular office expenses, stationery, and so forth.

Q. How much does that run a month?—A. That doesn't run a heck of a lot.

The COURT. \$2 a month?

The WITNESS. No; more than that, and I have been buying office equipment right along, probably forty or fifty dollars a month.

By Mr. GARBER:

Q. All right, forty or fifty dollars?—A. Yes.

Q. How much have you got in the bank?—A. At the present time?

Q. Yes.—A. I have thirty-some-thousand dollars.

Q. And you have \$46,000 worth of paid-up equipment, and you owe \$32,000; is that it?—A. Yes.

Q. Drawing any interest?—A. No.

Q. As a matter of fact, isn't Sam Perrone in this deal with you?—A. No.

Q. Isn't he in the deal?—A. No.

Q. Didn't you use Sam Perrone when you were dealing with Woodmere to put the strong arm on there?—A. No.

Q. To get them to haul that material?—A. Woodmere called me up.

Q. They still didn't want to mix with that deal because of the combine? Isn't that why you have Sam Perrone in there?—A. No.

Q. What do you know about these beatings?—A. I don't know a thing about them.

The COURT. Did you file an income-tax return last year?

The WITNESS. Yes.

The COURT. Did you file a joint one with your wife?—A. Yes.

The COURT. Have you got it with you?—A. No.

The COURT. Can you get it?

The WITNESS. Yes.

The COURT. Are your books in shape to pull off a balance sheet of that year's business?

The WITNESS. Yes; I think so.

The COURT. You have estimated, have you not, your income for this year?

The WITNESS. Up to October. I know exactly what I made up to October and including October, I made \$37,000.

The COURT. This year?

The WITNESS. Yes.

The COURT. From all sources?

The WITNESS. Yes.

The COURT. How much did you make last year?

The WITNESS. Fourteen-thousand-and-some-odd dollars.

The COURT. Up to October 1st you made \$37,000 this year?

The WITNESS. Yes.

The COURT. And kind of a bad year at that?

The WITNESS. It has been a good year for scrap.

By Mr. GARBER:

Q. I thought you just got through telling us they didn't have much scrap?—

A. I didn't say they didn't have much scrap, but it doesn't compare to what they

would have in normal years, if they were say, prewar days, nothing like the amount of scrap that came out of there during that time.

Q. What would it amount to in prewar days?—A. Probably twice the amount I am getting.

Q. So you would be making \$100,000—A. That's right.

The COURT. You don't haul any scrap out of any of those Briggs plants?—

A. Yes, I haul my dried out.

The COURT. What do you with that?

The WITNESS. I warehouse it and sell it where I see fit.

The COURT. That is over and above what you sell to Woodmere?

The WITNESS. The dried scrap is the textile material and I sell most of that out of town.

By Mr. GARBNER:

Q. That is spoiled stuff, where they cut it too short and so forth?—A. No, they cut a pattern say, a head-liner for a panel, and they will have a small piece left over.

Q. You have that stored?—A. Yes.

The COURT. And outside of that you get the ferrous and nonferrous metals, and the same fellows, the same concerns that were in on the Briggs deal before you got into it, are now buying that off of you, and the Continental has leased your trucks?

The WITNESS. No.

The COURT. Woodmere?

The WITNESS. Woodmere.

The COURT. Has leased your trucks and Continental, what they get out of it, they buy from you themselves?

The WITNESS. Yes.

The COURT. So far as you are concerned, those deals are just an exchange of paper, where you sell the Continental, you sell to Woodmere, and they pay you and you pay less to Briggs, and the differential is your profit?

The WITNESS. Yes.

The COURT. As far as the Continental is concerned, and Woodmere is concerned, the differential is your net profit?

The WITNESS. Yes.

The COURT. And on the Woodmere you then get the rate of \$1 per ton for all of the material they pull out on your trucks you have leased to them?

The WITNESS. Yes.

The COURT. That's over and above what you make on the scrap?

The WITNESS. Yes.

The COURT. And over and above that you have this other waste?

The WITNESS. Yes.

The COURT. That you get a brokerage on?

The WITNESS. The paper.

The COURT. You sell that to the Monroe outfit and different ones?

The WITNESS. Yes.

The COURT. You get that under the contract, it is bundled, loaded in carload lots, by Briggs, and you pay them \$1 a ton for loading?

The WITNESS. Yes.

The COURT. And on the resale of it you get a brokerage?

The WITNESS. Yes.

The COURT. Without handling it at all?

The WITNESS. Yes.

The COURT. You are just in on the contract, and it is loaded by Briggs, and you don't know whether Briggs is loading that at \$1 a ton at a loss to Briggs or not?

The WITNESS. No.

The COURT. Did you ever take cost accounting in that college you went to?

The WITNESS. No.

The COURT. Did you ever take anything in the school of business administration up there?

The WITNESS. Yes.

The COURT. Graduate or under-graduate?

The WITNESS. Graduate.

The COURT. What did you take when you were in college along the line you might get in a school of business administration?

The WITNESS. Accounting, business practice, economics—subjects on that line, accounting, I did take some cost accounting.

The COURT. Are you one of those fellows that went through college looking for a stamp course, and you said, "that economics course looks like a sweetheart to me"?

The WITNESS. No, I had one of the toughest profs in the whole school, and the dean of men taught one course of economics and there was another very good professor that taught economics.

The COURT. Study bookkeeping?

The WITNESS. I took accounting.

The COURT. What did you get in that course?

The WITNESS. "C."

The COURT. Just got over the hop?

The WITNESS. "C" is good enough. After all, you must realize I was working my way through school and I didn't give all the attention to the books I should have.

The COURT. How many in your class graduated there?

The WITNESS. I think around 200.

The COURT. Do you know any of your classmates that did as well as you did when they got out in the business world?

The WITNESS. The war came on.

The COURT. Some of them are dead, I suppose.

The WITNESS. Yes, I don't know, because I am not in contact with them.

The COURT. Did you hold any class offices up there?

The WITNESS. When I was in school, do you mean?

The COURT. Yes, were you president of that senior class?

The WITNESS. No.

The COURT. All right, go ahead. Have you got a copy of that contract with Briggs?

The WITNESS. Yes.

The COURT. Is it signed by anybody on behalf of Briggs?

The WITNESS. Cleary.

The COURT. When did you get the signed contract?

The WITNESS. Like I told him, I thought it was in August.

The COURT. Of this year or last year?

The WITNESS. I believe it was 1945.

The COURT. Did you ever get any other written contract signed by Briggs after that?

The WITNESS. No.

By Mr. GARBER:

Q. Now, as a matter of fact you went in with Mr. Martin, you went in to see Mr. Herbert March 27, 1945, and asked to see the bids furnished by the other companies for the last quarter, so you would know what to bid, didn't you?—A. I did not.

Q. You did not. Then you were called up—Mr. Herbert was called up to Mr. Cleary's office and when he went up there you and Martin were sitting in the office at that time, is that correct?—A. Yes, I remember that.

Q. And on the 5th day of April is when you started to get this business, right?—A. Well, I suppose so. You have the records. I can only give approximately.

Q. You signed up to go in down there to see Mr. Cleary and the first time you signed up to see Mr. Cleary was on 4-2-45, and you went to see him on personal business, and you went back the following day, and that day you were in there from 10:56 to 11 o'clock, which is four minutes, and then you went back the next day on April 4, 1945, at 2:30 p. m. you were out of there at 2:40. You spent 10 minutes with him, and on the 5th you went in there at 10:50 and you were out at 11:05, so you spent 15 minutes. So there is 15, 25 and 24 and 4, 29 minutes, and you walked out with this contract.—A. If that is the figuring you have, that must be so.

Q. But you don't have anything anywhere—in other words, there wasn't any record made when you went in to see Dean Robinson, and other time you were in there previous to March, you got in there some other way. How did you get in there some other way?—A. Through the front door every time.

Q. When did you quit your job?—A. Either the latter part of April or May.

Q. Then you still were working out to the National Twist Drill place?—A. I had a leave of absence.

The COURT. When is the last you worked for the National Twist Drill, the last day you put in a day's work?

The WITNESS. Well, the latter part of April or May.

The COURT. Then, if you were in the Briggs plant in March and early April, you were either absent for those days you were there, from the National Twist Drill, or you didn't show up at the National Twist Drill at all?

The WITNESS. I was either absent—I requested I be put on nights.

The COURT. When?

The WITNESS. I believe in April, I have a leave of absence there for a while, and then when I came back—first of all, I didn't show up for work and they were undecided whether to lay me off or what it was, and I was given a leave of absence, and then I started working nights.

The COURT. When?

The WITNESS. It must have been April or May.

The COURT. Of last year?

The WITNESS. Yes.

The COURT. That's the very time you were negotiating this contract?

The WITNESS. That's right.

The COURT. How long did you work nights?

The WITNESS. Two or three weeks, I guess.

The COURT. Then you resigned?

The WITNESS. Yes.

By Mr. GARBER:

Q. As a matter of fact you didn't leave the employ of the National Twist Drill until June 1945.—A. I can't give you the exact dates on that.

Q. But you handled all of this deal with Cleary and Robinson, and got yourself all lined up, made all of these deals with Continental and Woodmere, and everything, while still working at the National Twist Drill?—A. Yes, I didn't want to leave that job until I felt it feasible to do so.

Q. What do you know about your father-in-law and his strike-breaking activities?—A. I don't know a thing about them, strikebreaking activities, as you call them.

Q. Do you know why he and Mr. Fry are so friendly?—A. He has been in there over 30 years, a long time, and he and Mr. Fry started more or less about the same time.

Q. What do you know about the time he had a fire in his locker and they found dynamite caps and several pistols?—A. Only what I read in the paper, and he said he had nothing to do with it.

Q. Wasn't that after you were living there?—A. No.

Q. When did that happen? Let's see his record.—A. No, I wasn't there at the time.

Q. It must have been just previous to your marriage.—A. It would be a matter of months.

Q. Let's see his record.—A. May I have a glass of water, please?

Q. Yes.

The COURT. We will take a short recess.

(Recess.)

By Mr. GARBER:

Q. You know that Sam Perrone served time?—A. Yes.

Q. You know Fry went to bat for him to get him out?—A. No; I don't.

Q. Do you know if Charlie Martin went to bat for him to get him out?—A. No.

Q. You know he went to Battle Creek to break a strike, and made plenty of money on that deal?—A. No.

Q. Did you ever know he broke a strike in Kalamazoo?—A. No.

Q. When did you first hear about these beatings out at Briggs?—A. The first I heard about it was in one of the plants. They were talking about somebody being beaten up.

Q. How many times have you backed your car up there and unloaded a carton of cigarettes in there to the stewards?—A. I beg your pardon. There was an episode about that, and I was called on the carpet. I will try to explain it the way it happened. I passed some around there, and you have to—I used to pass a package of cigarettes to this shipping clerk, and the other. I was called in and accused of black market cigarettes. At Mack Avenue they had a fire and my trucks were required to be there sixteen hours, the same drivers, the same men, and I used to bring the drivers cigarettes.

Q. Where did you get the cigarettes?—A. I purchased them.

Q. Where?—A. Wherever I could.

Q. You mean you could purchase enough, so you could take them around and give them out?—A. I purchased them, at a price.



Q. That was black market.—A. Well, I'm sorry.

Q. Is that your uncle James?—A. Yes, it looks like him.

Q. No question about it being him?—A. No, but he is much fatter now. He tips the scales at nearly 200, and he is completely grey.

Q. This is your father-in-law?—A. Yes.

Q. You won't have any trouble recognizing any of those boys?—A. I know them.

Q. They acquitted you on those cigarettes, by the way?—A. I beg your pardon?

Q. You were acquitted on those cigarettes?—A. First of all Cleary called me up and asked me for an explanation and I gave him my explanation exactly as I gave it to you, and then I went on behind the scenes and I found out about it later that Mr. Herbert, who accused me there, he was the one made the complaint, and I didn't make any attempt to hide the fact I was giving cigarettes to my drivers, and they called in some of the shipping agents and they called the watchman in, and asked them about it, and they said I gave them an occasional pack of cigarettes, so the shipping clerks, they said I did the same thing, and as a matter of fact, I quit giving the cigarettes to the shipping clerks, because they had been instructed not to accept cigarettes from me, but I used to give them to my drivers.

Q. Do you know this fellow?—A. Never saw him before.

Q. What about Joe here?—A. I never saw him before, sir.

Q. Well, you know that fellow?—A. Yes, that's Casper.

Q. Is that the one that is dead?—A. No, Matthew is dead.

Q. Do you know any of these boys?—A. No.

Q. You're sure?—A. Positive.

Q. Do you know any of those boys?—A. No.

Q. You don't know Jack?—A. No, sir; never saw him.

Q. What about this boy?—A. I don't know him either.

Q. Do you know a Polish boy that goes with the Italian boys?—A. No.

Q. Do you know him?—A. No, sir.

Q. You're sure now?—A. Well, I can't place the man, and I don't think I have ever seen him.

Q. What about that fellow?—A. I have never seen him.

Q. Do you know him?—A. No.

Q. What about him?—A. No, sir; never saw this man.

Q. You don't know Lombardi?—A. No, sir.

Q. What about that?—A. I never saw him either.

Q. This one?—A. Never saw him.

Q. Never saw him?—A. Never saw him.

Q. This one?—A. Never saw him.

Q. This one?—A. Never saw him either.

Q. You know the last two there, your father-in-law and his brother?—A. Yes.

Q. Do you know when those beatings started?—A. I haven't the slightest idea.

The COURT. Have you a safety deposit box?

The WITNESS. No, sir.

The COURT. Has your wife?

The WITNESS. No.

The COURT. Where do you keep your valuable papers?

The WITNESS. Keep them at home.

The COURT. What?

The WITNESS. At home.

The COURT. Where do you keep the copy of your income tax?

The WITNESS. I have that at home.

The COURT. The books of account are at the office?

The WITNESS. Yes, with the exception of last year's, and I have those at home.

The COURT. Last year's you have at home?

The WITNESS. Yes.

The COURT. The bookkeeper kept them?

The WITNESS. I kept them.

The COURT. This year, 1946, you have a bookkeeper?

The WITNESS. Yes.

The COURT. Do you keep them in pretty good shape?

The WITNESS. I think so.

The COURT. When you filed your income tax for last year, did the Internal Revenue call you back to check it up?

The WITNESS. No.

THE COURT. So, as far as you know they accepted the figures you gave them?

THE WITNESS. Yes.

THE COURT. This year you estimated your income?

THE WITNESS. Yes.

THE COURT. And you have been paying on it from time to time?

THE WITNESS. Yes.

THE COURT. You have it cleared up to about October 1st?

THE WITNESS. Yes.

THE COURT. I mean your books are in shape, you cleared it up until the last quarter?

THE WITNESS. When my accountant gets through today, it will be cleared up until the end of November.

THE COURT. You could produce those books?

THE WITNESS. Oh, yes.

THE COURT. You have a bank account?

THE WITNESS. Yes.

THE COURT. Where do you bank?

THE WITNESS. On Beaufait and Jefferson.

THE COURT. What bank?

THE WITNESS. National Bank of Detroit.

THE COURT. Branch bank?

THE WITNESS. Yes.

THE COURT. The account is in your name?

THE WITNESS. Yes.

THE COURT. Or your wife's name?

THE WITNESS. It's in my name. It's in the Carl Renda Company's name.

THE COURT. What is the Carl Renda Company? Who are the owners?

THE WITNESS. Myself and my wife.

THE COURT. Partnership?

THE WITNESS. Yes.

THE COURT. Papers filed in the county building?

THE WITNESS. Yes.

THE COURT. Fifty percent interest, each of you?

THE WITNESS. Yes.

THE COURT. Who has the right to draw checks?

THE WITNESS. Both myself and wife.

THE COURT. Does she have to countersign yours?

THE WITNESS. No.

THE COURT. You can draw a check and she can draw a check?

THE WITNESS. Yes.

THE COURT. How much do you owe your father-in-law right now?

THE WITNESS. \$32,000.

THE COURT. Why don't you pay it to him?

THE WITNESS. I can't.

THE COURT. What is your net worth right now?

THE WITNESS. My net worth? I would say it is about \$45,000.

THE COURT. Net?

THE WITNESS. Yes.

THE COURT. Over and above everything you owe?

THE WITNESS. I believe so.

THE COURT. If this coming year is a normal year, you ought to make at least \$50,000.

THE WITNESS. I hope so; yes.

THE COURT. Would you say that contract is worth a quarter of a million dollars net, if it is handled right?

THE WITNESS. Well, how do you mean, handled right?

THE COURT. If a man goes in there, handles that contract, gets all the scrap you are getting now from Briggs, knows his business and handles it economically, would you say the value of the contract is net about \$250,000 a year?

THE WITNESS. No, sir, impossible.

THE COURT. What is it worth?

THE WITNESS. I would say it is worth in the vicinity of \$50,000.

THE COURT. \$50,000?

THE WITNESS. Yes.

THE COURT. Would you sell it for fifty thousand?

THE WITNESS. No.

THE COURT. Would you sell that contract for \$75,000?

THE WITNESS. No.

The COURT. You want to make money?

The WITNESS. Yes.

The COURT. If we can produce a buyer tomorrow morning, will you sell that contract for \$100,000?

The WITNESS. I won't sell it. I won't make anything by selling that contract.

The COURT. Those trucks pay for themselves?

The WITNESS. I hope so.

The COURT. That is the idea?

The WITNESS. Yes.

The COURT. Pay for themselves.

The WITNESS. Yes.

By Mr. GARBER:

Q. According to your figures, they have already paid twenty or thirty thousand of the original cost?—A. I haven't had those trucks a year.

Q. Yes, but you told us your income will be twenty or thirty thousand, and that will be income from your trucks.—A. You asked me from the paper, all scrap I am taking out of there, how much money I can make on those trucks a year, which is right.

Q. We know where you got them. The fact is you kind of double-crossed the outfit you bought them from?—A. I wouldn't say I double-crossed them.

Q. Didn't you agree to sell them the stuff when they got you the trailers?—A. Yes.

Q. Didn't they put up the money?—A. Yes.

Q. You got the trucks and trailers in your own name?—A. Yes.

Q. And instead of selling them the scrap, you took it over and leased the trucks out to their competitor?—A. Yes.

Q. What do you call that?—A. I didn't want to be put in the corner.

Q. You're still able to buck it?—A. I am going to do my best.

Q. You're still doing it. You tell me one other outfit that has come in here and bucked it in the last 15 years successfully?—A. I don't know.

Q. Can you explain to the Judge here, how Sam Perrone knows Lydia Thompson, deceased?—A. He has told me that he doesn't know her.

Q. How would she know he had a gasoline station on East Jefferson?—A. Well, I don't know.

Q. What relation is the Gentiles to the Perrones?—A. Like I told you there, Mr. Gentile is Mrs. Perrone's uncle.

Q. Mrs. Thompson was borrowing money from the Gentiles, is that right?—A. I don't know.

Q. Where does Gentile work?—A. I believe the Detroit Michigan Stove Works.

Q. And how long has he had that job over there?—A. I couldn't tell you.

Q. But he is Mrs. Sam Perrone's uncle?—A. Yes.

Q. And Sam Perrone does own a gas station on East Jefferson?—A. Yes.

Q. And you can't tell me how Mrs. Lydia Thompson, in one of the last notes she wrote, would say to see Mr. Perrone on East Jefferson, if anything happens to me.—A. I wouldn't know nothing about that.

Q. Would you have any suspicions?—A. No.

Q. You don't suppose any of these strikebreakers that work for Perrone are the same guys who cut her throat?—A. I don't know any strikebreakers working for Mr. Perrone.

Q. Well, he is, isn't he?—A. I wouldn't say he was.

Q. Well, I am not going to argue with you.—A. Yes, after all, the man is my father-in-law, and he doesn't tell me he is a strikebreaker, nor does anyone else. I know he works at the Detroit Michigan Stove Works. He is a contractor and he is making a good living there.

Q. How did he get that salvage contract over at the Michigan Stove Works?—A. That was before my time.

Q. You live with him, don't you talk over business?—A. No.

Q. You're in the same line of business?—A. Yes.

Q. And you do the same thing that Perrone did, and he went over there and broke a strike at the Michigan Stove Works, and he has that contract there, making that good living, and his wife wears a mink coat and makes trips to California, and they live out near Grosse Pointe, and send their children to school in Grosse Pointe, and didn't he tell you how he did that?—A. No.

Q. Didn't you do a job on the 22nd day of March 1945, to prove how you could handle those tough agitators over there at Briggs, and you got the contract about two weeks later?—A. No.

Q. Haven't you handled some jobs since then on the Vegas and the rest of them right up until lately?—A. No.

Q. And on Kenny Morris, wasn't that the last job you handled, and you have cut down the lost time over there, almost a million hours a year?—A. No.

Q. And isn't that the reason you got that contract?—A. No.

Q. Isn't that the reason Mr. Cleary and Dean Robinson were willing to take you in and give you that contract, making fifty thousand a year, because you would take care of the labor agitators?—A. No.

Q. And that is the very thing followed by your father-in-law for the last twenty years at the Detroit Michigan Stove Works?—A. No.

Q. Why did you get a permit to carry a gun?—A. I did get it.

Q. Why did you get the permit?—A. First of all, I am liable to carry money in my pocket, and secondly, I am bucking this combine, and I know it is dark around my neighborhood, and I have that permit to carry a gun for that purpose, but I have never carried it as yet.

Q. You still have a permit to carry a gun?—A. Yes.

Q. Who is this immigration officer that signed for it?—A. Mr. Talbert.

Q. Who is he?—A. He is an immigration officer here at the tunnel.

Q. Who introduced you to him?—A. My father-in-law.

Q. Sam Perrone?—A. Yes.

Q. And he gave you a recommendation?—A. Yes.

Q. And the other is Charlie Martin?—A. Yes.

Q. The guy you have been doing business with and sleeping with, so far as this contract is concerned?—A. Yes.

Q. How does your father-in-law know the immigration officer down at the tunnel?—A. I couldn't tell you.

Q. In other words, you have been guided all through this deal by Sam Perrone?—A. No, sir.

Q. He is the man who could get you the signers for a gun permit?—A. Mr. Perrone didn't ask Mr. Talbert. I went to him myself at his home.

Q. Who told you about him?—A. No one.

Q. How did you meet him?—A. Through my father-in-law.

Q. Where did you meet him?—A. I don't remember whether I met him at his office or at his house, but I met him through my father-in-law.

Q. Out at your father-in-law's home?—A. It might be.

Q. Do you know "Dwigert" Glover?—A. Yes.

Q. How long have you known him?—A. Probably a couple of years.

Q. How did you meet "Dwigert" Glover?—A. I think up hunting.

Q. How many years has he hunted up there at your father-in-law's place?—A. As far as I know, this year and last year.

Q. Two years?—A. Yes.

Q. Last year was right after the Thompson murder, wasn't it?—A. I believe so.

Q. He was working on that case, wasn't he?—A. Yes; I guess he was.

Q. And your father-in-law's name came up on that, and that was never printed in the paper, was it?—A. Yes, it was.

Q. When?—A. It was in the Detroit Times and broadcast over the radio.

Q. Do you know why orders were given to suppress the name of Perrone?—A. No.

Q. How does it happen that when your father-in-law's name, the name of Sam Perrone, was mentioned in that Thompson case, that "Dwight" Glover, of the Homicide Squad, was invited up to Cummings, Michigan, at this hunting camp?—A. I don't know. He may have invited himself.

Q. And he was back up there again this year?—A. Yes.

Q. How long did he spend there this year?—A. I was up there two days, and when I left he was still there.

Q. When did you go up, the opening of the season?—A. I think the season opened on Friday morning, didn't it? Anyway, I was there the morning of the opening day, and I came back on Sunday.

Q. How many acres has your father-in-law got up there?—A. Forty.

Q. How many shares of Detroit Michigan Stove have you got?—A. One hundred.

Q. How many has your mother-in-law got?—A. It's either three or four hundred.

Q. Isn't it 900?—A. No.

Q. How many has your father-in-law got?—A. As far as I know, he doesn't have any.

Q. What other business has he got an interest in?—A. Outside of the gas station and the Detroit Michigan Stove Works, I think that's about the limit.

Q. What is his income a year?—A. I don't know. He has never told me.

Q. Bigger than yours, isn't it?—A. I think it is.

Q. He makes a lot of money on this scrap. How many tons of scrap does he haul?—A. I don't think more than 200 a month.

Q. Where does he make his money?—A. He has four trucks operating all the time in there.

Q. How much will a truck make?—A. I don't know. I guess he gets a regular cartage fee out of it.

Q. Four trucks wouldn't make so much money, would it?—A. It depends.

Q. He uses one of your trucks?—A. Yes.

Q. How much does he pay you for that?—A. Not a thing.

Q. What other income does he have?—A. None that I know of.

Q. Now, his income is confined to what, working as a coremaker? Does he work in the core room?—A. No, they split it up, him and his brother, and they haven't been on speaking terms for quite some time.

The COURT. Who hasn't?

The WITNESS. Mr. Sam Perrone and Mr. Casper Perrone, and Mr. Casper Perrone has the core room, as far as I know, and Mr. Sam Perrone has the trucks.

By Mr. GARBER:

Q. What did they split up over?—A. Well, he never did tell me that.

Q. When did they split up?—A. I know it was before I was married.

Q. Didn't Sam Perrone attend your uncle's daughter's wedding, but they don't speak to one another?—A. Yes.

Q. They still go to social engagements together?—A. That was the only one, because he thinks the world of those kids, but they didn't speak to each other on that occasion.

Q. How many children has James Renda got?—A. Two.

Q. How many?—A. Two.

Q. How old are they?—A. One about 17 and the other about 15.

Q. Boys or girls?—A. Both boys.

Q. What is his business over in Canada?—A. Well, right now he doesn't have any business. He is flat on his back.

Q. What was his business?—A. As far as I know, he was a gambler.

Q. What is this room they have right across here in Windsor, where your stepbrother goes over there and stays for a while?—A. I don't know anything about that.

Q. Where does James Renda run his gambling place?—A. He is not running, as far as I know.

Q. Where did he run it?—A. I don't know.

Q. This side or the other side?—A. As far as I know, it was on the other side.

Q. Right over here in Windsor?—A. Yes.

Q. Your stepbrother goes over there and stays for a while once in a while, doesn't he?—A. I don't know anything about it. He has never told me.

Q. You fellows are dealing at arm's length?—A. After all, for all I know, he is probably taking some girl over there, and doesn't want me to know about it, because I try to keep him on the straight trail, mind his own business, and go ahead and provide for his mother.

Q. Outside of yourself and your mother, you are the only ones that haven't got a criminal record.—A. Well, my two half brothers don't have a record.

Q. All of your uncles, for one thing or another, do not have a very savory reputation, including your father-in-law.—A. I said on my mother's side.

Q. Yes, I am leaving your mother out of it, but on the other side, your father-in-law does have, isn't that true?—A. I guess it is.

Q. Well, you know it.—A. Well, there is nothing I can do about that.

Q. I know that, but it is a fact?—A. Yes.

Q. A lot of the relatives of the Perrones have had trouble with the police one way or another throughout a period of years?—A. I don't know who you are referring to, outside of his brother.

Q. Well, Sam has been in jail?—A. Yes.

Q. And his brothers have both been in jail?—A. Yes.

Q. And a lot of his in-laws and relatives he was working over at Detroit Stove Works have criminal records?—A. Well, if they have, I don't know about it.

Q. In other words, most of the relatives of Sam Perrone and the Perroge family are employed there, and a lot of them are employed by the Detroit Michigan Stove Works, who have criminal records.—A. There are some employed there.

Q. When they want a job they see Sam and Sam puts them on.—A. I guess so.

Q. There is no question about that, is there?

The COURT. How old is Sam?

The WITNESS. 51 or 52.

The COURT. Was he born in the old country?

The WITNESS. Yes.

By Mr. GARBER:

Q. Well, your Honor, I would like a couple of the boys, at this time, to go out and bring in some of this gentleman's records. I would like to see them, and possibly we could look them over in the morning. I have another witness coming in at ten o'clock. Who is your lawyer, by the way?—A. Well, I really don't have a lawyer.

Q. Well, Charlie Martin has been doing a pretty good job?—A. Yes, but he can't practice law.

Q. The last lawyer you went to see was Sam Travis?—A. Yes.

Q. Was he doing any business for you?—A. No.

Q. He was the last one you contracted over a lease over there?—A. Yes.

Mr. GARBER. I would like to see the records, and I would like to talk to this other gentleman first, and I would like to suggest Mr. Renda spend the night, at the courtesy of the Grand Jury, and have his records brought in here tomorrow before he has a chance to talk to his lawyers or some other people. I have a few other matters I would like to go into, after I have checked his records a little bit. If it meets with the Court's approval.

The COURT. You think you have gone far enough until you see these records?

Mr. GARBER. Yes. You haven't any objection if the boys go along out there with you, and get your papers?

The WITNESS. What papers?

Mr. GARBER. Your income-tax returns and books for 1945. May we stop over at your office and pick those up?

The WITNESS. No; I have no objection.

Mr. GARBER. If you have, there are ways to get at those, and if you have nothing to hide, let's see the picture.

The WITNESS. You are welcome to them. They can ask my wife for them.

Mr. GARBER. No; they will go along with you.

The WITNESS. All right.

Mr. GARBER. That's all I have at this time.

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand-Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Tuesday, December 17th, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by G. L. McGuire, Margaret Cameron, Reporters.

11:05 a. m.

JOHN A. FRY, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Your full name is what?—A. John Angus Fry.

Q. Where do you live?—A. 1001 Covington Drive.

Q. How old are you?—A. Fifty-eight.

Q. Where were you born?—A. Detroit.

Q. Lived in Detroit all your life?—A. Yes.

Q. Attended the local schools?—A. Yes; Brooklyn School, Cass School, and Central High School.

Q. What year did you graduate?—A. Wait a minute.

Q. About 1907 or 1908?—A. No; before that, 1906, I think.

Q. What business have you been engaged in since you completed your education?—A. I have been with the Stove Company all my life.

Q. How old were you when you went to the Stove Company.—A. Well, let's see, I will be—I must have been 17.

Q. What did you start in to work at there?—A. Office boy.

Q. When you say the Stove Company you are referring to—A. Detroit, Michigan, Stove Company, originally the Detroit Stove Works.

Q. It is known now as what?—A. Detroit, Michigan, Stove Company.

Q. And they are located where?—A. 6900 East Jefferson.

Q. What office do you hold at the present time?—A. President.

Q. How long have you been president?—A. I think since 1936, approximately.

Q. 1936; and previous to that time did you hold office?—A. Vice president.

Q. How long were you vice president?—A. About seven or eight years.

Q. How many people are employed at the Detroit, Michigan, Stove Works?—A. At the present time?

Q. Yes.—A. We have two plants, by the way.

Q. Yes.—A. About 800 altogether.

Q. Where is your other plant?—A. 6450 East McNichols.

Q. About 800 in the two plants?—A. Yes.

The COURT. You went out there as office boy and worked up until you finally became an officer?

The WITNESS. Yes, I am president now.

The COURT. Before you were president, what was your job?

The WITNESS. Secretary and general manager.

The COURT. That brought you in contact with the personnel?

The WITNESS. Yes.

The COURT. How long were you general manager?

The WITNESS. Well, I was made superintendent in 1919, I think, and the following three or four years after that, Judge. I am not up on the dates. We have a diary at the office, and I can give you all of those dates, exactly.

By Mr. GARBER:

Q. You were first superintendent, general manager and secretary, vice president, and president?—A. Yes; I went up through the steps.

Q. What do you produce over there?—A. Well, we produce gas ranges for domestic and commercial use, and at the metal fabricating plant we make heavy metal stampings.

Q. You have a union in your plant?—A. Yes.

Q. A company union, CIO, or A. F. of L?—A. We have A. F. of L. and CIO.

Q. What men belong to the A. F. of L., do you know?—A. Yes, moulders and coremakers are A. F. of L.

Q. What men belong to the CIO?—A. The rest of the group.

Q. When did you meet first Sam Perrone?—A. Oh, thirty odd years ago, I guess thirty or thirty-five.

Q. What was your position at the time you met him?—A. In the payroll department, paymaster and timekeeper, one or the other, I don't know which. I used to do the hiring as well.

Q. How old a man is Sam Perrone?—A. I couldn't answer that definitely. I would say around 52 or three.

Q. He had two brothers?—A. Yes.

Q. Did they both work for you?—A. Yes.

The COURT. How old are you?

The WITNESS. Fifty-eight. I will be 59 in March.

By Mr. GARBER:

Q. What were the brothers' name?—A. One's name is Gasper, and the other was Matthew.

Q. One of them is dead?—A. I think Matthew is dead; yes.

Q. But Gasper and Sam still work for you, is that correct?—A. Gasper has a contract running the corerom with us, and Sam has a contract doing the trucking and—that is the trucking of the stuff and products we make, and

doing the inside trucking, such as refuse and scrap, taking that to the dump, and also buying the scrap from us.

Q. How long has he had the scrap contract?—A. Well, I think for 12 or 14 years, something like that.

The COURT. Both these men are independent contractors, they are not on the payroll?

The WITNESS. That's right; they are not on the payroll.

The COURT. They are in there on contracts within the plant?

The WITNESS. Yes.

The COURT. One manages the coreroom?

The WITNESS. Yes.

The COURT. The men that he hires are on his payroll?

The WITNESS. That's right.

The COURT. Not on your payroll?

The WITNESS. Not on our payroll.

The COURT. How many has he got?

The WITNESS. I would say 15 or 18, Judge. That would be a guess.

The COURT. Approximately?

The WITNESS. Yes.

The COURT. Who designs the cores?

The WITNESS. We design the cores.

The COURT. He carries out the labor?

The WITNESS. We furnish the equipment to make the cores with.

The COURT. The molds.

The WITNESS. Well, they aren't molds. They are what we call core dryers, and the core is made in these, and they are baked in an oven.

The COURT. In the older days there was one group or artisans in the stove factory called molders?

The WITNESS. Yes.

The COURT. Are they there today?

The WITNESS. Yes.

The COURT. What do they do?

The WITNESS. The core is made and formed into a hollow casting. It would be the pattern, which is the same as a solid casting, except the core castings or the cast you put this core in is made out of sand, packed with linseed oil, and baked, and that is set in there, and, as I say, baked, and when the core is cooled, the iron is poured in there and that leaves a hollow space there.

The COURT. Is that the type of work Casper does?

The WITNESS. Yes; he makes these cores.

The COURT. Under contract?

The WITNESS. Yes.

The COURT. A yearly contract?

The WITNESS. It is a contract on the basis of the number of cores, and the number of ranges we produce a day.

The COURT. These men work for him?

The WITNESS. Yes.

The COURT. Not for you?

The WITNESS. Not for us.

The COURT. And Sam has the scrap contract?

The WITNESS. Yes; and the trucking contract.

The COURT. And he has a trucking contract to bring the products manufactured by the Stove Company out, and also carry the material from within the plant?

The WITNESS. That's right.

The COURT. And his equipment is his own?

The WITNESS. Yes.

The COURT. And the employees that work on this trucking are his employees?

The WITNESS. Yes.

The COURT. They are not on your payroll?

The WITNESS. Not on our payroll.

The COURT. How many has he got?

The WITNESS. Again it would be a guess, but I think five or six.

The COURT. How many trucks?

The WITNESS. I would say he has five or six trucks.

The COURT. While we are on that, what would you estimate his net worth?

The WITNESS. Who?

The COURT. Sam?



The WITNESS. Oh, gosh, I haven't the least idea.

The COURT. Do you have any idea at all?

The WITNESS. No.

The COURT. How about Gasper?

The WITNESS. I haven't any idea.

The COURT. Are they on speaking terms?

The WITNESS. As far as I know.

By Mr. GARBER:

Q. When you first met the two Perrone boys, what was their employment at that time?—A. Coremakers.

Q. Is that a rather laborious job?—A. Yes, it is laborious and it is dirty.

Q. How long did they work as coremakers?—A. Oh, for a great many years.

Q. When did Gasper obtain this contract to make cores? How long has he been at that?—A. I am not sure of the date.

Q. Well, the year—A. Well, I mean every year. I could check on it, and give you the information.

Q. Your best judgment right now?

The COURT. Approximately, ten years?

The WITNESS. I would say ten years, but that is purely a guess.

By Mr. GARBER:

Q. Somewhere in the neighborhood of the last 10 years he has had the contract as a coremaker?—A. Yes.

Q. And furnished his own employees?—A. Yes.

Q. How long has Sam had the trucking contract?—A. I would say about the same length of time.

Q. When was he given the salvage contract?—A. About the same length of time.

Q. About the same time?—A. Yes.

Q. And previous to the time that they received the core contract and the salvage contract, and the trucking contract, what was their employment just previous to that?—A. Coremakers.

Q. They were coremakers doing this rather laborious dirty work?—A. Yes.

Q. How did they happen to get that contract?

The COURT. Just a moment, right there. At that time, before they got the contract, the coremakers were on your payroll?

The WITNESS. Yes.

The COURT. Who had the trucking?

The WITNESS. We did our own trucking.

The COURT. Who had the scrap iron contract?

The WITNESS. The scrap iron contract was sort of a hit in this thing. The purchasing department would get so much scrap, and then come in and get the fellows to take it out.

By Mr. GARBER:

Q. How did they happen to get these contracts?—A. In the first place, it is a more economical operation for the company.

Q. What are some of the other reasons?—A. Well, that is the main reason.

Q. Did you have a strike about that time?—A. Yes.

Q. Quite a serious strike?—A. Yes.

Q. And the Perrones were interested in that strike, weren't they?—A. In what way?

Q. They took an active part in breaking that strike?—A. No; I wouldn't say that. I called on the Perrones—if this is the strike you are talking about, and that is the only one we have had, I think.

The COURT. In 1934, wasn't it?

The WITNESS. What is that?

The COURT. 1934?

The WITNESS. I would say about that. This MESA drive to get us to recognize their outfit—they were trying to get us to recognize them on the basis they wanted recognition, and it was entirely out of line in every respect, their demands were, and we refused and they threw a picket line around the place, pulled most of the men out, and we made up our minds we weren't going to operate, on the basis they wanted, and we were not going out of business, and I talked with some of the fellows in the plant, including the Perrones, and I

wanted to know whether or not we could get some help to come in, and they said they thought they could.

By Mr. GARBER:

Q. There was quite a lot of rioting and bloodshed?—A. There were some fights outside the gate on the part of the pickets attacking the men when they came in to lunch. I think after that first day we had 75 or 80 policemen around the plant guarding the employees that were working, against any attack on the part of the strikers.

Q. And the Perrones played a rather active part in that, did they not, Mr. Fry?—A. They got a lot of people to come in and go to work.

Q. Would you say Italian people?—A. I imagine most of them were Italian. There are other kinds, not only Italians.

The COURT. Right there, about what percentage of the labor or workingmen in your plant right now are Italians or of Italian extraction?

The WITNESS. That would be purely a guess again, Judge.

The COURT. 75 percent.

The WITNESS. I would say half.

The COURT. At least half?

The WITNESS. I wouldn't say at least half. I don't know whether I am right on that or not. I haven't any way of knowing exactly. I could find out.

By Mr. GARBER:

Q. Later the Perrones were in prison, were they not?—A. Yes.

Q. When was that?—A. I don't know, Mr. Garber, I think sometime after this 1934 thing. It must have been.

Q. What were they in prison for?—A. As far as I know, and I don't know the details on that, I think it was something in connection with the "alky" racket.

Q. They were working as coremen for you at that time, is that right?—A. Yes.

Q. And you spent considerable time on their behalf in getting them out?—A. No.

Q. Did you spend any time?—A. As I recall it, I wrote a couple of letters for them.

Q. As a matter of fact, didn't the two wives of the Perrones carry on the scrap business?—A. That's right.

Q. When was that scrap business given to them relative to this fight or this strike?—A. I think about the time of the strike.

Q. After the strike?—A. I think so.

Q. Was that given to them as a sort of reward for their service?—A. No; not necessarily. As I said before, in dealing with this thing, they approached us on the proposition, and the deal we made was a more economical operation for the company.

Q. How much were they paying for the scrap?—A. Well, it was a minimum amount. What it was, I don't remember.

Q. Well, as a matter of fact, they were practically given the scrap, weren't they?—A. They may have been.

Q. They may not have paid anything for it?—A. I think they always paid something for it.

Q. What are they paying for it now?—A. Well, again, I can't answer that definitely.

Q. Are they paying anywhere near the amount of the current price?—A. No.

Q. What is the reason the Detroit Michigan Stove Works makes this concession to them?—A. Well, I can explain it this way: The scrap thing at the plant—we don't have any facilities for baling scrap. It is thrown out on a big platform outside of the press room. It is thrown out there indiscriminately in small pieces, and it has to be shoveled on the trucks or conveyer they use with a fork or by hand, and it is almost impossible to get labor to go in there and do it, when it is necessary to take it out. We don't have this big space in there for an accumulation, and it has to be for our convenience in taking it out, and it isn't what you would call the type of scrap ordinarily that would be sold in bales, or anything like that.

Q. How much would you imagine the value of that scrap would be a year, Mr. Fry?—A. Again, I wouldn't know offhand.

Q. Have you investigated it at all?—A. No.

Q. Do you know what they are paying for it at the present time?—A. No, I don't definitely know.

Q. Have you any idea?—A. I would say maybe two or three dollars a ton.

Q. Do you know what the market price is of it?—A. For scrap?

Q. Yes; similar to the scrap you have.—A. No, but I know it is considerably more than that.

Q. And this contract that has been carried on under that same method for a period of ten or twelve years?—A. Yes.

Q. No investigation has ever been made as to whether you could do better or couldn't do better with the scrap?—A. No.

Q. Do you have an audit on it, your cost of operation? How do you set that up?—A. We set it up naturally as the income from scrap.

Q. And you have no idea what volume of scrap is taken out of there?—A. No, not at the present time, I don't know.

Q. Or the yearly worth of it?—A. Well, the yearly worth I could—no, I think it would probably run about six or seven hundred tons of scrap. I am just trying to do some estimating. I can give you a figure—I will give you the whole breakdown if you want it.

Q. Well, we are kind of interested in it, Mr. Fry.—A. I will give it to you.

Q. Do you know Dean Robinson?—A. Yes.

Q. Did you ever talk to Dean Robinson about this scrap set-up and the assistance you received from the Perrones in your labor trouble?—A. No.

Q. Do you know Fay Taylor of the Briggs?—A. No.

Q. Do you know Mr. Renda?—A. Who?

Q. Renda.—A. Carl Renda?

Q. Yes; Carl Renda.—A. Yes.

Q. How long have you known Carl?—A. Oh, for about a year or so, I guess.

Q. How did you happen to meet him?—A. Is he the son-in-law of Perrone?

Q. Yes.—A. He runs a gas station. I used to get my gas over there.

Q. Did Carl run that gas station?—A. He didn't run it. He worked over there.

Q. Did he work there?—A. Yes; he pumped gas.

Q. That gas station is located where?—A. Concord and Jefferson.

Q. How long have the Perrones had that gas station, do you know?—A. I don't know.

Q. Several years?—A. Yes.

Q. Do you know Lydia Thompson?—A. Who?

Q. Lydia Thompson, that was murdered out here in Oakland County?—A. No.

Q. Do you go to social events at the Perrones?—A. I went to one social event two or three weeks ago.

Q. Gasper's daughter's marriage?—A. Yes.

Q. Did you ever hear the Perrones talk about knowing Lydia Thompson?—A. No.

Q. Do you know the Gentiles working for you over there?—A. Oh, Gust Gentile? I know him.

Q. Do you know how he happened to know Lydia Thompson?—A. No.

Q. And have money to loan her?—A. No.

Q. Do you know what relation Gentile is to the Perrones?—A. No.

Q. Do you know why Mrs. Thompson would leave a note to the effect that if anything happened to her to get in touch with Perrone, that being one of the last notes she left before her murder?—A. I haven't the least idea.

Q. Do you know anything about the criminal records of men that are employed by the Perrones in your plant?—A. No; I don't.

The COURT. Are you interested?

The WITNESS. Yes.

By Mr. GARBET:

Q. You are a former police commissioner, a deputy police commissioner?

The WITNESS. Yes; I was in charge of traffic.

The COURT. When?

By Mr. GARBET:

Q. How many years ago was that, Mr. Fry?—A. That is ten years ago, I guess.

Q. Ten years ago?—A. Yes.

Q. It was about the time you gave Perrone these contracts, wasn't it?—A. About then, I guess.

Q. What about these dynamite caps and pistols found in the Perrone locker up there in your place?—A. I am glad you brought that up. That was during the war, and we called in the FBI, and they made an investigation, and I think they were subsequently acquitted, weren't they, all of them, on this thing, and

while that was going on we had the Perrones out of the plant entirely, and it so developed this Matthew, the brother that since died, if there was any guilt, it was pointed at him rather than the other two, and during that period of time we had the Perrones out entirely, and we conducted the whole thing ourselves.

The COURT. It is always nice to know that there is at least one fellow you can hang your hat on that happens to be dead.

The WITNESS. I don't know anything about that.

The COURT. We will discuss Cleary and these others a little later on. He happens to be dead, too.

The WITNESS. Anyway, the situation in connection with that, when we get all through and the case was over with, I asked the FBI if it was all right to put the Perrones back in there in their former status, and they said yes.

By Mr. GARBER:

Q. That investigation was as to sabotage, was it not?—A. What?

Q. Was that what the FBI was interested in?—A. I think so, probably.

Q. What was the explanation as to why they had all of this stuff, if you know?—A. I don't know.

Q. It didn't have anything to do with strike breaking, did it?—A. No.

Q. Did you ever loan the Perrones to the Stove Works in Battle Creek for the purpose of breaking a strike?—A. No.

Q. Didn't you make some such report at one time?—A. No; I did not.

Q. Did you ever loan them to Kalamazoo?—A. Loan them?

Q. Yes; have them go up there and help break some strikes that were going on, tell them how efficient they were in the operation of your plant?—A. If I did, I don't recall it.

The COURT. Are you in the habit of doing that?

The WITNESS. No.

The COURT. If you only did it once, you would be likely to recall it.

The WITNESS. I would think so.

The COURT. You don't have any recollection of it?

The WITNESS. Lending them?

The COURT. Yes; lending the Perrones to break a strike out in western Michigan, Battle Creek, Kalamazoo, or where have you?

The WITNESS. I don't think so. I would like to get more information on it.

By Mr. GARBER:

Q. Well, let's see here. I have right here a report concerning the A and B Stove Company at Battle Creek.—A. Yes.

Q. Who owns that?—A. The Detroit Michigan Stove Company.

Q. Did you send the Perrones up there to take care of that deal?—A. No, we only acquired them in 1945.

Q. Do you know Mr. Wendel L. Smith?—A. Very well.

Q. He was the president of it, wasn't he?—A. Yes.

Q. Didn't you send Perrone up there to take care of labor difficulties up there, Mr. Fry?—A. When, Mr. Garber?

Q. In 1935.—A. No, I have never sent the Perrones up there. They may have gone up there.

Q. Let me read you this little item from a Federal report: "The strike breaking prowess of the applicant is attested by the fact that when confronted with labor difficulty at the A and B Stove Company of Battle Creek in 1935, its president, Wendel L. Smith, asked Mr. Fry, at the Detroit Michigan Stove Company for assistance, and the latter brought Ispano Gasper Perrone over to Battle Creek. Mr. Smith was interviewed and he stated that they had a strike there, and that Perrone proved of assistance in talking to their Italian help, and after a few days, the strike was settled. This arrangement he termed sub rosa. The firm has no record of what was paid. Smith personally took care of Perrone and can't recall what he paid."

The COURT. What?

The WITNESS. I never took Perrone to Battle Creek.

The COURT. Well, did he go under your instructions?

The WITNESS. No.

The COURT. At your suggestions?

The WITNESS. No.

The COURT. At the request of the Battle Creek firm?

The WITNESS. The Battle Creek firm may have requested them.

The COURT. Who did they make the request of?

The WITNESS. Maybe from Perrone.

By Mr. GARBER:

Q. You're sure they didn't request it from you?—A. As I say, I certainly don't recall that; and my memory is fairly good.

Q. Let me check on a couple of other items here. Now, this is you talking: "He admitted that about 45% of his help is Italian, since this strike, and that in hiring men, he has depended very much upon Gasper Perrone's opinion. He said anyone whom Gasper recommended was all right with him. After the strike Fry made a verbal contract with Perrone, to handle all metropolitan trucking and removal of scrap from the Stove Works. Fry was of the opinion that this scrap is given to the Perrones free, and said that the removal of same had become a problem, and that the firm did not find it profitable to sell it to scrap dealers himself. Since imprisonment of Gasper Perrone and his brother, their wives have continued this business."

Then, taking up a little further: "Mr. Fry endorses this application, because he is indebted to Ispano Perrone for helping the company break the strike in 1934, in April."

Now, is that the basis you were doing business on the scrap, because of the strike-breaking activities of the Perrones, because of that you gave them this scrap?—A. As I recall it, the Perrones came to me, and they wanted to purchase the scrap, and we thought the business we had at the time was pretty expensive, and we talked about the trucking arrangement at the same time, and it worked out so it was beneficial to the company, and we entered into it.

Q. Was the issue stated in the appreciation of the fact they helped you break the strike?—A. Well, I don't know what you mean by helping break a strike?

Q. Well, there were a lot of people in there that got pretty severely beaten up, wasn't there?—A. Well, I don't know anything about that.

Q. And Mr. Perrone was active as one of the fellows that did the beating?—A. I know nothing of that.

Q. Let's go back to the dynamite-cap business. After the government investigation as to the sabotage, your relationship has continued on the same basis as they always have?—A. Since that time?

Q. Yes.—A. Yes.

Q. You told us you attended a social engagement at Casper's home less than three weeks ago.—A. No, I never have been to his home. This reception was at the Wardell Sheraton.

Q. Excuse me, but you did attend?—A. Yes.

Q. Was Sam there?—A. Yes.

Q. Do you know Sam and Gasper don't speak to one another, only for appearance, for a front?—A. I didn't know that.

Q. Ever been to Sam's home?—A. No.

Q. Do you know where he lives?—A. No. He lives on the east side; I know that.

Q. Well, hasn't this scrap deal, Mr. Fry, been more or less a set-up as a plant protection against strikes over there?—A. No.

Q. And that was originally more or less a gratuity you gave to them in the beginning; wasn't it?—A. No; as I told you, this thing worked out in the interest of the company on the basis of our former cost plus present cost.

Q. Scrap was pretty expensive during the war.

The COURT. You know here there is in the industry a lot of crooked labor leaders?

The WITNESS. I don't know whether there are or not.

The COURT. Well, you know it from hearsay; don't you?

The WITNESS. From hearsay only; yes.

The COURT. Now, as a representative, president of a big corporation here, do you acquiesce in the management of a large department in your company being turned over, and placed in the hands of an ex-convict, and to carry that out with social engagements with these ex-convicts at their homes?

The WITNESS. I see nothing wrong with it. However, I might state I have not been to their home.

The COURT. You see nothing wrong with it all?

The WITNESS. No, as long as they do their work properly, efficiently.

The COURT. Isn't it a fact that you got the Perrones in there with their long criminal records to more efficiently combat union men?

The WITNESS. No.

The COURT. And to keep that plant under control?

The WITNESS. No.

The COURT. And aren't you and these Perrones right in the same box as conspirators to carry out that idea?

The WITNESS. No.

The COURT. What?

The WITNESS. No.

The COURT. And isn't it a fact that you sold that same proposition to Dean Robinson in the Briggs?

The WITNESS. What proposition?

The COURT. That I just mentioned right here.

The WITNESS. Let me get you straight.

The COURT. In other words, you have got these Perrones in that plant of yours to put the quietus on labor activities; haven't you?

The WITNESS. No.

The COURT. And as a reward you have given them this scrap contract, the core contract, and the cartage?

The WITNESS. No.

The COURT. What?

The WITNESS. That is not true.

The COURT. Then, why are these fellows getting that scrap below the market price?

The WITNESS. Because I told you it works out to the financial advantage of the corporation.

The COURT. Is this a closed corporation?

The WITNESS. Which?

The COURT. Is the stock in this company closely held?

The WITNESS. No.

The COURT. Aren't you a trustee for the stockholders of this company?

The WITNESS. Yes; certainly.

The COURT. You get the highest price for the products and byproducts of that plant?

The WITNESS. Yes.

The COURT. Don't you owe to the stockholders to get the highest price?

The WITNESS. I think that is reflected in our records.

The COURT. What right have you got to give this merchandise away to a bunch of Sicilians?

The WITNESS. That isn't the idea.

The COURT. By the way, are these people Sicilians, or do they come from the Continent?

The WITNESS. I do not know.

The COURT. Do you care whether they are ex-convicts?

The WITNESS. I know they are.

The COURT. Do you care?

The WITNESS. Not as long as they carry out the work.

The COURT. What is that job?

The WITNESS. I told you.

The COURT. What is the commitment?

The WITNESS. What is the what?

The COURT. What? You are over 21. What is the commitment?

The WITNESS. I don't know what you mean.

The COURT. We just covered here a half dozen times. Now, we want the truth out of you.

The WITNESS. I have given you the truth.

The COURT. Whether you are the president of that corporation or not, you are going to give it to us.

The WITNESS. I am going to tell you all I know, and I have already done so.

The COURT. And the Perrones are going to give it, too.

The WITNESS. I have given you the truth.

The COURT. Unless you want to spend a lot of time with us, and that is all right with us.

The WITNESS. Well, that's all right with me, too.

The COURT. We want the lowdown. In those early days of 1938 you had your friend Hoover and Alfred E. Smith, and he says now, "What we want is the lowdown." Now, you give us the lowdown.

The WITNESS. I have given it to you.

The COURT. Well, maybe you want some time to think it over. Let's have it here. We want the commitment on this racket.

The WITNESS. I don't know what you are talking about.

By Mr. GARBER :

Q. This deal has been very satisfactory for about 10 years?—A. Yes.

Q. Now, does it strike you as being unusual by giving it away, or at a very nominal amount paid for that scrap and there is nothing by way of a contract from your company to the Perrones, and then that same deal all of a sudden moves over to the Briggs Manufacturing Company. Now, you have already taken an oath of secrecy, so that I am going to disclose a little something here to you that Briggs is also willing to lose \$14,000 a month, and they have had a series of beatings over there of more or less agitators, and the loss of labor hours has been greatly reduced, and this same Sam Perrone has gone out with his young son-in-law and put the heat on other people, the same people that have been buying this stuff for years on the high bidder basis, and he goes around with young Renda while he makes a contract, so that he makes a very nice profit, and Briggs loses on it for the same sort of a strike-breaking proposition you had for years. Didn't you sell that idea to Dean Robinson?—A. I certainly did not.

Q. Did you ever talk to Mr. Cleary about it?—A. Who?

Q. William J. Cleary?—A. No.

Q. Do you know him?—A. Yes; I knew Bill Cleary.

The COURT. Right there, just so the picture is complete. You understand you are under an oath of secrecy?

The WITNESS. I understand that, certainly.

The COURT. That means just that. You met this young Renda; didn't you?

The WITNESS. Yes; I have met him a half a dozen times.

The COURT. A college graduate regardless of whether he looks it or not. In 1945, in March, he steps into the Briggs Manufacturing Company and he says he met Cleary. That is the out. I don't believe it, see. We will come to that, too. He couldn't do business with a reputable man like George Herbert. The fact is, he did business. The proof of the pudding is in the eating; the answer is in the can, some of the canners say. Who is he? He is the son-in-law of your friend Perrone. Your friend Perrone, with a record as long as your arm of violations of the criminal law, the state and the nation, and the same with the blood flowing through the veins of his brothers and family, all of which you know, and we do, too. The guy comes in, about 26 years of age, he walks into the plant, "What is your name?" "Carl Renda." "Where is your card?" He hasn't got one. "What do you want?" "I want this contract." Suffice it to say that contract is worth one-quarter million dollars net per annum. Bear that in mind. Has the fellow got the experience? No. He never heard of the difference between ferrous and nonferrous metal. He didn't have his first lecture in organic chemistry. He had no experience. He was working here for the National Twist Drill, but he had the contract. He was the son-in-law of Perrone. I guess at that time he lived in the exclusive district of Yorkshire Road. Pretty good for a graduated coremaker. "Where is your place of business?" He had none. Where was his telephone? He had none. Where was his office? He had none. Where was his equipment? He had none. Where was his yard? He had none. Was he rated in Bradstreet? No. What was his finances? Zero. Who was his pal? Martin. Who is he? A law student. Probably attended some garage night school for two or three years before he graduated, if he did.

Mr. GARBER. He didn't.

The COURT. If he did. Where are the lawyers? There are none. Why aren't there? What is the trouble? The Continental and the Woodmere and Levine and other waste-paper people are taking that scrap for years on a reputable American competition for meeting the bids, and it being knocked down to the highest bidder, see. Clean American business. He comes in with a little theory somebody was crooked, and they may not have been able to get the price. Possibly somebody was cheating. "Where are you getting that information?" "Well, out of the blue, out of my nut." "Have you got any facts to base it on?" No; not a solitary fact. "Who did you see?" "Cleary." Can he confront you now? No; he is dead. "Who in that front office did you talk to?" "You couldn't talk to Herbert." The talk to Cleary is the bunk. "Who did you talk to?" "So you got the contract, eh?" "Where did you get the figures?" "Did you go over to the Hampton School to get somebody, some schoolboy, to give figures?" As a hardheaded businessman, coming from the other side of the tracks, doing it the hard way, to the presidency of a big corporation—he gets the contract. The stuff has got to be taken out daily, if not hourly. "Where is your equipment?" "How are you going to handle it?" "Simple, simple. I will cut

myself right in here, right in the middle, between the Briggs Manufacturing Company and the men that performed nobly for years. I will get my own price here, sweetheart, and elsewhere. I will buy low and sell high, and the differential is my profit." Just like that, just like that. Nothing up his sleeve, see? "What did you make last year?" "What are you going to make next year?" What is the lowdown on that deal? Is the hidden consideration the beatings these men got in the plant, and reduced from a million and a half loss man-hours to 500,000? Is that it? Could that be it? And what is the tie-in between the Briggs and the Michigan Stove Works? Now, Mr. Fry, we want you to tell us the story. You can take either one of these dilemmas, either one of them. That fellow didn't know Dean Robinson or any other Yale man, so far as I know. He didn't know Walter Briggs. He didn't know Spike. He couldn't do business with George Herbert, a reputable businessman. He didn't know Cleary. Cleary got the go-sign. He got the word to go, so we tuck it on Cleary. Now, something for nothing doesn't exist. That is axiomatic. You just try, with all your reputation, to go down and lift a million dollars from Wall Street, if you can. They want to know who you are. They don't care whether you come from Massachusetts, Boston, Chicago, or Winnipeg. The coin of the realm? Show us. This guy goes to Briggs. He can't even talk the language. He wouldn't know a core from a score, but he had a father-in-law. He didn't belong to the Yonatega Club, he wasn't a member of the Detroit Club, the D. A. C. It is questionable if he knows his way around the Loop here. He certainly didn't know the industry. He knew nothing about this business, and the people that are taking that stuff out of Briggs this very moment are men that took it out for years, although he has got the cut. They do business with him. In my book that is pretty strange. It just doesn't add up, neither does Perrone's contract with the Michigan Stove Works, unless one proposition is the payoff, see, to subjugate labor and keep it under control, and all we have to do there is deuces wild with you.

Mr. GARBER. Did you get a written contract with Perrone?

The COURT. We have some of these things we are investigating. It is almost on the road to murder. If it wasn't murder, it's just a sheer accident, and a man could be accused and convicted, and executed for murder, if he was in on the deal by remote control, and you know that, as a deputy superintendent of police. You don't have to be on the scene. The agent, the inside guy, that is walking around under the table, he is so small, he is just the guy out of the front-line trench. We want to find out who the man was behind those guns, to find out how these contracts were given. Now, you know, and Dean Robinson knows how they were given. What is the angle?

The WITNESS. I don't get you at all.

The COURT. Why do you do business with Perrone?

The WITNESS. That's what I tried to explain to you, if you understood it.

The COURT. You got this picture?

The WITNESS. Well, I have got what you said; that's all.

The COURT. I just outlined it.

The WITNESS. Yes; I guess so.

By Mr. GARBER:

Q. Have you a written contract with Perrone?—A. No.

Q. A written contract with him in your scrap business?—A. No.

Q. Have you got a contract, a written contract, with him on this trucking?—A. No, sir.

Q. Everything is verbal?—A. Yes; everything is verbal.

Q. And it has been verbal over the years, right from the beginning?—A. Yes.

The COURT. That's what we used to call in the old days, when you were working your way up, a gentleman's agreement?

The WITNESS. That's right.

The COURT. What?

The WITNESS. Right.

By Mr. GARBER:

Q. How much would you say the salvage is worth a month to the Perrones, out of your plant?—A. I was trying to figure that a little while ago. Estimated on the basis of what percentage we use, and what percentage is scrap, I would say we have around a thousand tons of scrap a year.

Q. These verbal contracts you have with the Perrones are worth \$25,000 a month?—A. Worth \$25,000 a month?

Q. That is what I asked you.—A. You mean on the scrap?



Q. These verbal contracts including the trucking, scrap, and coremaking worth \$25,000 a month?—A. You know, we are not paying anything like that.

Q. How much are you paying? How much does Perrone draw out of the Detroit Michigan Stove Works on verbal contracts?

The COURT. Is what they draw a matter of record?

The WITNESS. Oh, yes; I would guess \$10,000 a month combined.

By Mr. GARBER:

Q. How much is salvage, if you know?—A. I would say about a thousand tons a year.

Q. That would be around 100 tons a month?—A. Yes.

Q. How much is that worth?—A. I don't know what the price of that type of scrap is on sale right now.

Q. Do you know whether it went to \$5 a ton November 11th?—A. I know cast iron scrap went up.

Q. How much?—A. I think it went up to about \$14 a ton.

Q. Did you raise Perrone's prices?—A. No; that's cast iron scrap.

Q. Don't you have any of that?—A. No; we use all of that.

Q. The kind of scrap you sell, how much is it worth on the market today?—

A. As I say, I don't know but I would guess \$12 or \$14 a ton.

Q. You charge them what?—A. I don't know. I can guess if you want.

Q. What's your guess?—A. I would guess two and a half or three dollars.

Q. So you allow them to make \$10,000 a year to get rid of that?—A. I don't allow them that. They do a lot of extra work.

Q. What is the extra work? That's the \$64 question.—A. There is extra labor in handling it, taking it out of the way.

Q. Others do that, come and take it away and pay you the going rate, don't they?—A. They used to.

Q. They still do. So why were you to give \$10,000 a year, approximately, to them? What's the consideration for it? That's what I can't understand.—

A. Well, the over-all picture, as I say, we figure it saves us money.

The COURT. In what way?

The WITNESS. Well, if the work that we get in the handling of this labor, the odd jobs they do around the yard, and all the other things set up in this whole deal.

By Mr. GARBER:

Q. Well, it originally all sprang from your gratitude for strikebreaking, isn't that right?—A. No, I wouldn't say that.

Q. Well, you did here: "He indorsed this application because he is indebted to Ispano Perrons for helping the company break the strike in April 1934. After the strike, Fry made a verbal contract with Perrone," to give him the stuff. That's what you said at one time.—A. Well, as I say, it has worked out, Mr. Garber, to where it's an advantage to the company.

Q. You haven't made any investigation of it, so you don't know whether it is advantageous or not, to be honest about it; correct?—A. I still think it is.

Q. That's your personal opinion. You have nothing to back that up with; have you?—A. I am pretty familiar with the cost of our operations, what they are, and how they have increased in the last few years.

Q. You haven't had any strikes since you had this deal?—A. No, we haven't had any strikes. We pay pretty good wages, you know. That's one thing that avoids strikes.

Q. Yes, I know that, but the formal way isn't the whole thing. Did you go to the FBI at this time in 1942, when these dynamite caps were found, and vouch at that time for the Perrones, like you did at the time they were in jail?—A. No, sir.

Q. As a matter of fact, didn't you go over and tell them how these men were not saboteurs?—A. No.

Q. And this stuff in there was used for other purposes?—A. The FBI came out to the plant. I never went to the FBI. I answered all the questions they asked.

Q. You made a full report of what you knew about the Perrones?—A. Yes.

Q. Did you ever discuss your labor problems with anybody over at Briggs, Mr. Cleary, for example?—A. No.

Q. Did you discuss them with Mr. Dean Robinson, president of the Briggs Manufacturing Company?—A. No.

Q. Never discussed them with anybody?—A. Whose problems are you talking about? Our problems?

Q. Yes, your strike.—A. No, no.

The COURT. Comparative problems?

The WITNESS. General discussion but nothing in detail.

By Mr. GABER:

Q. Ever tell them how the Perrones performed for you?—A. No, I never did.

Q. Did you ever tell them about going up to Battle Creek?—A. Did who?

Q. You.—A. Tell who?

Q. Tell Dean Robinson, Mr. Cleary?—A. No.

Q. Mr. Cochrane, Mr. Blackwood, or Mr. Briggs, any of those people?—A. No.

Q. Do you know Fay Taylor at all?—A. No.

Q. The personnel director?—A. No, I don't know him.

Q. You don't know about this boy—do you know about this boy Barone that works for you?—A. Who?

Q. Barone.—A. He works for us?

Q. He works in your plant. Do you know who pays him?—A. I don't know him.

Q. Another relative of Perrone. Do you know how many of the employees Perrone has who are relatives of his?—A. I haven't the least idea.

Q. Did you ever hear of Perrone being king of the wops?—A. No.

Q. Did you ever know James Renda?—A. No.

Q. You remember when these shootings occurred, a police sergeant was shot and James Renda was tried for that police sergeant's killing?—A. No.

Q. Do you remember when the shooting took place in the county jail?—A. Recently?

Q. No, several years ago.—A. No.

Q. You don't recall that?—A. No.

Q. The name Renda and Perrone don't have any connection between that?—

A. This Renda?

Q. Carl?—A. No.

Q. Did you ever hear of Bill Renda?—A. No.

Q. James is his uncle, two of the toughest racketeers ever in this town?—A. I never heard of them.

Q. And Perrone kind of stepped right in there with them.

The COURT. Do you know whether Sam Perrone has an interest in that scrap contract with Carl Renda at Briggs?

The WITNESS. I do not.

Q. Do you know if he has advanced any money to his son-in-law Carl?—A. No, sir, I don't.

By Mr. GABER:

Q. Have you any idea how much money Perrone has got?—A. How much what?

Q. Money.—A. You asked me that before. I haven't the least idea what their financial worth is.

Q. Did you ever go up to any hunting place up near Cummings?—A. Never.

Q. How much stock do they own?—A. In what?

Q. In your company?—A. I don't know they own any. I haven't seen a stock list of the last two or three months.

Q. Mrs. Sam Perrone has owned stock there for quite some time.—A. We have 3,000 stockholders.

Q. Who did you put in there as employment manager during the strike?—A. During the strike?

Q. Yes.—A. Gosh, I don't remember.

Q. Let me refresh your memory.—A. All right.

Q. Didn't you put in Gasper Perrone as your employment manager during the strike to take care of the situation over there?—A. Oh, no. Perrone, as I said before, probably got a lot of these employees to come in and work during that strike. He may have been so termed by the outsiders, but he had no official job as personnel man.

Q. Can he place men in your plant now?—A. No.

Q. How many men has he sent to you that you hired in the last two years?—A. I haven't the least idea. We have put on probably three or four hundred men in the last couple of years.

Q. How many men were indorsed by Perrone?—A. I haven't the least idea.

Q. A large percentage?—A. I wouldn't say that.

Q. What percentage would you say?—A. I couldn't even guess.

Q. A Perrone endorsement is a pretty good recommendation to get into your plant?—A. Well, the same as any other employee's indorsement would be. He

comes along and says, "Here, I know Joe Dokes, he's a good man, I know he's steady," we will take the endorsement.

Q. Did you have some trouble about three years ago, when an organizer named Sam Mazzola tried to organize you? Out at one of your plants, did you have any trouble then?—A. Trouble?

Q. Yes.—A. No.

Q. And Perrone was taken to the Prosecutor's office for threatening him?—A. I don't know anything about it.

Q. Never heard of it?—A. I have never heard of that. I have heard of this Mazzola, yes.

Q. Do you know at that time that Perrone went out there and threatened Sam Mazzola, and he was taken down to the Prosecutor's office, about three years ago?—A. No, I didn't.

Q. Do you know anything about that?—A. No.

Q. That was Sam. Does he work out there?—A. Sam?

Q. Yes.—A. Sam who?

Q. Perrone.—A. Well, out here, yes.

Q. No; out at your 6-Mile Road plant. Did you have some trouble out there about three years ago?—A. We had an election out there about three years ago, between the AFL and the CIO.

Q. Do you know whether Perrone was out there and had some trouble with Sam Mazzola?—A. I don't know anything about it, if he did.

Q. And was taken before the Prosecutor?—A. No, I didn't know it.

Q. You think Perrone would be able to loan \$32,000 to another person in cash?—A. I haven't the least idea what their financial set-up is. I don't know anything about them.

The COURT. If they have any money, do you know where they made it, whether they made it in any other business than at the Detroit Michigan Stove?

The WITNESS. I don't know what money they may have at all.

The COURT. All you know, they have a gas station and your contract with you?

The WITNESS. That's all I know.

By Mr. GARBET:

Q. Do the Perrone women wear mink coats?—A. I haven't seen them. I saw the women at this reception, but they didn't have coats on.

The COURT. What other outstanding businessmen were at that reception at the Wardell Sheraton besides yourself.

The WITNESS. They had quite a few people from our office there.

By Mr. GARBET:

Q. Anybody from the Briggs there?—A. None that I know of.

Q. How well did you know Bill Cleary?—A. Oh, I have known Bill for, oh, I guess, 25 years.

Q. Did you think well of him?—A. Very much; very well of him. Bill was president of the bowlers over at the D. A. C. several years ago, and I used to bowl over there when I was younger.

Q. You think Bill would go into a contract on a racket with his eyes open, or would it have to come from some of the higher-ups?—A. I don't know anything about that.

Q. What's your opinion? Was he a reputable man?—A. Bill Cleary, I would say, was a very reputable man.

Q. And if his name appears there, and you can take my word it does, on a contract between him and Carl Renda, and a certain combine here in town, where Sam Perrone was used to buck it, and he gave this contract for the Briggs scrap, you think he did that on his own motion, or would that have to be on orders from higher up?—A. I wouldn't know anything about that. I wouldn't want to venture any kind of an opinion on that.

Q. As far as you know, he was all right?—A. Yes.

The COURT. Do you believe in the principle of business men being associated with known racketeers, as a buttress against organized labor?

The WITNESS. I don't know what you are talking about.

The COURT. Read the question.

(Question read.)

The WITNESS. We are not against organized labor.

The COURT. Do you believe organized labor ought to be affiliated with known racketeers with criminal records?

The WITNESS. I don't know anything about that.

THE COURT. I say, do you believe in that? You think they ought to be? In other words, you think that a union ought to be run by racketeers or by leaders of known integrity, or do you believe a union, as a necessity, ought to be run by known racketeers with criminal records?

THE WITNESS. I think they should be run by men of integrity.

THE COURT. You think, on the other hand, the business ought to be run on the so-called free-enterprise system or on some basis in which it can be run by close association with known racketeers with criminal records?

THE WITNESS. I think on a free-enterprise system.

THE COURT. You have contracts that are resting in parol with the Perrones, these so-called gentleman's agreements at the present time, haven't you?

THE WITNESS. Yes.

THE COURT. And you know that the Perrones are ex-convicts and have long criminal records?

THE WITNESS. Yes.

THE COURT. In spite of that fact, these contracts are gentleman's agreements between the Perrones and your corporation, and have lasted for ten years, almost, and even at the present time?

THE WITNESS. That's right.

THE COURT. As I understand you, your plant has been free from a strike for a number of years.

THE WITNESS. Little flare-ups, nothing of any consequence.

THE COURT. During all that time, where the plants have been free from strikes except those flare-ups, the Perrones have had these contracts with your corporation rest in parol, gentlemen's agreements?

THE WITNESS. That's right.

THE COURT. And they are buying this material and getting this metal—that's the scrap, below the fair market value?

THE WITNESS. That's right.

THE COURT. And you gave that core contract to Gasper Perrone?

THE WITNESS. Yes.

THE COURT. Before that had anybody else ever had such a contract or was the work done by the firm itself?

THE WITNESS. You mean on the coremaking?

THE COURT. Yes.

THE WITNESS. It was done by the firm itself.

THE COURT. By giving that contract to Gasper, that was a departure from the other picture?

THE WITNESS. Yes.

By Mr. GARBER:

Q. How long were the Perrones in prison, Mr. Fry?—A. Well, I imagine a couple of years, I don't know offhand.

Q. Well, approximately?—A. I don't know.

Q. In the meantime the wives were running the scrap business, weren't they?—A. Yes.

Q. Who was doing the loading when the Perrones were in jail that was so advantageous to the Detroit Michigan Stove Works?—A. They had their employees who work for them, doing it.

Q. They had their employees?—A. Yes.

Q. That continued right on during the time they were in jail?—A. Yes.

Q. So all of this extra help that you have told us about, they did so many things, wasn't done all the time they were in jail, yet you continued these fellows in there, these verbal agreements right along?—A. The extra help was done, as I just told you, because the men they had there continued to do it.

THE COURT. While they were in jail, you paid Perrone on the contract?

THE WITNESS. They carried out the contract.

By Mr. GARBER:

Q. The checks were made payable to the Detroit Michigan Stove Works?—A. Made to what?

Q. Payable to the Detroit Michigan Stove Works and you gave those checks over to their wives, and let them make a nice profit?—A. Yes.

Q. The scrap was being sold, purchased by different individuals around town while Perrones were in jail and the women folks were running it. The checks were made payable to the Detroit Stove Works, not to the Perrones. How did you handle that? Did you cash those checks and turn them over to the wives?—A. I don't know. I couldn't answer that.

Q. Why would the checks be made payable to the Detroit Stove Works if it was Perrone's scrap while they were in jail? Why was that?—A. I don't know. I would have to check on the books.

The COURT. Who would know that?

The WITNESS. I can find out for you.

By Mr. GARBER:

Q. Do you know Mr. Robinson of the Industrial Iron and Steel Company, secretary and treasurer, in the New Center Building?—A. Who?

Q. Al Robinson, secretary and treasurer of the Industrial Steel Company.—A. I don't recall him.

Q. Do you know why he would want that scrap so bad, he was willing to advance Mrs. Perrone \$1,000 to make sure he got it?—A. I didn't know that.

Q. Yet, according to your story, scrap is a nuisance.—A. I don't know.

Mr. GARBER. Anything further, your Honor, at this time?

The COURT. We want the answers to those questions. We want to find out what you paid Perrone.

By Mr. GARBER:

Q. Could you prepare and furnish to us information as to how many tons he actually sold?—A. Yes.

Q. For instance, in the last year or so.—A. Yes.

Q. Of course, we could get it from where they sell it.—A. I can give it to you right off our books.

The COURT. For 1945 and '46.

The WITNESS. You want this year up to date and 1945?

By Mr. GARBER:

Q. That's correct, and how much you received for it.—A. Yes, I will make a memorandum here.

Q. You might give us also the entire amount of money you paid to these people under these verbal contracts, that is, to the Perrones, for forty-five, and up to now, the scrap, core business, trucking, and the total amount.—A. '45 and '46 scrap, '45 and '46 coremaking, '45 and '46 trucking; is that right?

Q. Yes. Any of these men in your employ, Mr. Fry?

The COURT. What are you showing him, the family album?

Mr. GARBER. Just a few handsome gentlemen here, your Honor.

The WITNESS. I don't know this fellow.

Mr. GARBER. Do you know this fellow here, this one?

The WITNESS. No, no.

Mr. GARBER. Do you know him?

The WITNESS. Yes; that's Gasper. I don't know this one, either. That's Sam.

Mr. GARBER. You can identify that as the three Perrone boys?

The WITNESS. Yes; I don't know any of those outside of Perrone there.

Mr. GARBER. You don't know either one of these two groups, do you?

The WITNESS. No; neither one of them.

Mr. GARBER. None of them in your employ?

The WITNESS. I don't know.

The COURT. Off the record.

(Discussion off the record.)

(Witness excused.)

4:15 p. m.

AUGUSTINO V. ORLANDO, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. Augustino Vincenzo Orlando.

Q. Where do you live, Mr. Orlando?—A. In Detroit, sir.

Q. What number?—A. 5777 Lakepointe.

Q. 57—A. 77 Lakepointe.

Q. That's near where?—A. Harper and Chalmers, Outer Drive, right out that way.

Q. By whom are you employed?—A. I work for my—well, it's my father-in-law's gas station, but he is letting me manage it for him.

Q. Which father-in-law?—A. Sam Perrone.

Q. How long have you been married?—A. I am to be married. I will be married in February.

The COURT. Your father-in-law elect.

The WITNESS. February 1st we will be married.

By Mr. GARBER:

Q. How long have you been running that gas station out there?—A. March 1st of this year.

Q. You were in the service, were you not?—A. Yes, sir.

Q. Did you run that before you went in service?—A. No; I didn't.

Q. When did you go in the service?—A. May 12, 1943.

Q. May 12, 1943?—A. That's to active duty. I enlisted December 12, 1942.

Q. Were you here when Mrs. Thompson was killed?—A. No, I wasn't.

Q. Did you ever know Mrs. Thompson?—A. No; I never heard of her.

The COURT. Where were you born?

The WITNESS. Detroit, sir.

The COURT. When?

The WITNESS. When? 1924.

The COURT. What's the date of your birth?

The WITNESS. December 10.

The COURT. December 10, 1924?

The WITNESS. Yes.

The COURT. Where did you go to school here?

The WITNESS. Denby High School.

The COURT. Did you graduate?

The WITNESS. Yes, sir.

The COURT. What year?

The WITNESS. 1942—June 1942.

By Mr. GARBER:

Q. Do you have any of the old accounts or anything that were out at the gas station?—A. Oh, there's a lot of books there; yes.

Q. Did you ever check those books to see whether Lydia Thompson was on your list of accounts out there?—A. No, sir. When I took over the space, the only accounts we had was Detroit Michigan Stove Company and Associated Products, Carl Renda Company, and my father-in-law's account.

Q. Detroit Michigan Stove, do they buy their gas there?—A. Yes, sir. Well, not all of it. They have the company car, the DeSota, they buy their gas for that car, have their tires repairs, and items like that.

Q. Carl Renda Company?—A. Yes, sir.

Q. They have their trucks serviced there? How many trucks did Carl Renda have serviced there?—A. Serviced there? Three.

Q. And how many trucks does Mr. Perrone have serviced there?—A. Four, I think it is; four.

Q. Does anyone from Briggs buy gas there?—A. Anybody from Briggs?

Q. Yes?—A. No, sir.

Q. None of the officials from Briggs buy their gas there?—A. No, sir.

Q. Did you ever hear any discussion about Mrs. Thompson coming to that particular gas station?—A. No, sir.

Q. Who was operating that station previous to the time you took it over?—A. Before I came in?

Q. Yes.—A. Well, my father-in-law had—I don't know—every different person working there, I guess, because help was hard to get, and he sort of watches it himself.

Q. He's pretty well tied up down at Detroit Michigan Stove Works?—A. Yes. Q. Well, do you know, did he have any employees there about October of 1943 or '44?—A. Any employees?

Q. Yes.—A. I don't know.

Q. Were you working there then?—A. No; I was in the army then.

Q. Do you know who, along, oh, July, August, September, October of 1944, who would be in there?—A. No; I don't, sir.

Q. Do you know who worked there then?—A. No, sir; I don't.

Q. There is no record of that at all?—A. No, sir; not that I know.

Q. Are you any relation to Carl Renda?—A. Well, I have known him all my life. Our families have been friends.

Q. Where did you know him?—A. Where did I know him?

Q. Yes.—A. Well, you see, my mother and my mother's sister—well, you see, Carl, he is my mother's sister's nephew, see, through marriage. Well, wait—

Q. Well, who is your mother related to that's related to Carl?

The COURT. What's your mother's maiden name?

The WITNESS. Girardi.

The COURT. What's Carl's mother's maiden name?

The WITNESS. Maiden name? I don't know. Anyway, we have known each other all our lives.

By Mr. GARBER:

Q. Well are you related?—A. Well, in a way.

Q. By marriage or blood relation?—A. No.

Q. You are not?—A. No relation, but we are practically cousins, like—you know what I mean—we have known each other so long.

Q. Are you any relation to the Gentiles?—A. No.

Q. The Toccas?—A. I never heard of them.

Q. The Litonias?—A. No, sir.

Q. But there is either blood relation or a very strong friendship between Carl Renda's mother and your mother, is that right?—A. Well, no. There's no blood relation or anything like that.

See, my uncle—

Q. What's his name?—A. Jimmy Renda. Well, his brother is Carl's dad.

The COURT. How is Jimmy Renda your uncle?

The WITNESS. Well, he's my mother's sister's husband, understand?

The COURT. Your mother's sister's husband.

The WITNESS. Yes.

The COURT. James Renda is your uncle by marriage?

The WITNESS. That's right.

The COURT. But he's actually the blood uncle of—

The WITNESS. Of Carl; yes.

By Mr. GARBER:

Q. And Carl Renda's father was William, was that it?—A. Yes; I think that's his name.

Q. And William and James were brothers?—A. I believe so, that's right; yes, sir.

Q. And William is dead, is that right, Bill? His real name was Vitalo, or something?—A. I don't know.

Q. Where is James?—A. James is in Riverside, Canada.

Q. Do you have a room across there in the hotel?—A. Across where?

Q. Windsor.—A. No, sir.

Q. You never stayed over there?—A. Oh, at my aunt's house; yes.

Q. Where is your aunt's house?—A. Riverside.

Q. Over to the Rendas?—A. Yes.

Q. How often do you go over there?—A. Oh, very seldom. Now that I have the business here, I stay down there most of the time and watch the business.

Q. How do you work this business with Sam Perrone?—A. Well, when I came home, I asked him to get me a job. Well, he said, "If you want to go ahead, run the gas station, because I have my hands full." After the first month I wanted to give him part of the money I made, so he said, "No, go ahead, keep it." He is just helping me along.

Q. He furnished you with a gas station, you pay all the expenses and take all the profit?—A. That's right.

Q. On the prospect you are going to be his future son-in-law?—A. That's right.

The COURT. How much do you make a month?

The WITNESS. Oh, about \$400.

The COURT. That's net, before taxes?

The WITNESS. Let's see. Last month we made about two something. I don't remember the exact figure.

By Mr. GARBER:

Q. That is net?—A. Yes.

Q. Did you ever hear your prospective father-in-law mention the name of Lydia Thompson?—A. No, sir.

Q. Do you know anything about Carl's contract with the Briggs?—A. No; I don't.

Q. Do you know how he got that contract?—A. No; I don't, sir.

Q. You and Carl go around some together, do you?—A. Well, we go out. See, when I go out with my girl, I have to have a chaperone, and so we go out with Carl and his wife.

Q. Where did your wife go to school?—A. She doesn't. She's graduated.

Q. Where did she graduate from?—A. Grosse Pointe High.

Q. You are not allowed to go out with her unless you are chaperoned?—A. That's right.

Q. So Carl and his wife go along?—A. Or else Mrs. Perrone and my father-in-law, Sam, go along.

Q. The four of you go out?—A. That's right.

Q. You expect to be married?—A. February 1st.

The COURT. Is that a custom?

The WITNESS. Pardon?

The COURT. Is that chaperoning a custom among Italian people?

The WITNESS. Well, you know, that's the old-fashioned Italian way. I guess that's the old-fashioned people's way of chaperoning, so that's the way Sam is, too.

By Mr. GARBER:

Q. He is very particular about his daughter?—A. Well, I imagine so; yes.

Q. How long have you been engaged?—A. About 2½ years.

Q. Were you engaged before you went in the service?—A. Yes.

Q. Is Sam as particular as that about his other business dealings?—A. How do you mean?

Q. The dealings he has with other people.—A. I don't understand you. How do you mean that?

Q. Well, do you know anything about Sam Perrone's background?—A. No; I don't, not much.

Q. What do you know?—A. Well, not too much. He is a hard-working man, I know that.

Q. How many times has he been in jail?—A. Well, yes, I heard he had been in jail, sir.

Q. How many times has James Renda stood trial for murder?—A. I don't know.

Q. How many times was Bill Renda involved with difficulties of the law?—A. Before my time.

Q. That's what I meant. Is he more particular about his daughter than he is in his method of doing business? Do you know whether he ever was used as a strikebreaker?—A. Sam?

Q. Yes—A. No.

Q. Or his brother Casper?—A. No.

Q. You don't know anything about their activities?—A. No; I don't, sir.

Q. You don't know anything about who operated that gas station before you took it over?—A. Well, there were several people, I guess.

Q. Well, who are some of them?—A. I don't know.

Q. When did you take it over?—A. March.

Q. What year?—A. This year.

Q. 1946?—A. Yes.

The COURT. Do you know who operated it the last half of 1945?

The WITNESS. The last half, no; I don't.

By Mr. GARBER:

Q. Anyway, you could find that out?—A. I imagine so, sir. I could ask my father-in-law. He ought to know. It's his station.

Q. What relation are the Gentiles to the Perrones?—A. I don't know.

Q. You know they are related, don't you?—A. I don't know whether they are or not. I never heard of the people, except Joe Gentile over the radio.

Q. No, I am not talking about that. I am talking about the Gentiles who are related to Perrones, and work for the stove company.—A. Oh, I don't know the people.

Q. You never heard of them?—A. No; I haven't, sir.

Q. It's your prospective mother-in-law's uncle, isn't it?—A. Is it? It might be, I don't really know.

Q. Where did you know Carl?—A. Carl, well, we—

Q. Where was Carl raised?—A. In Albion, I believe.

Q. Do you know how many years he went down there, lived in Albion?—A. No; I don't.

Q. You are very friendly with him, aren't you?—A. Well, yes, up to—let's see—the time I started high school.

Q. Where?—A. The time I started high school, that's when I first, you know what I mean, when I first got to know Carl.

Q. What year was that?—A. Oh, about 1939, 1940, I guess, something like that.



Q. Where was Carl living then?—A. Where was he living then? I think he was still going to college.

Q. Where?—A. In Albion.

Q. Did you ever know Carl down through the years in Detroit?—A. No, I haven't—just, well, during the summer months he used to work, make enough money to go to college, and then after college, let's see, then I believe he started to go out with Mary, and then he got married after a while.

Q. When did he get married?—A. 1944, I think it was—no, 1943—1943, September 1943.

Q. How old is the child?—A. How old is the baby? He's—he will be two years in May; May 10th.

Q. What branch of the service were you in?—A. Infantry, heavy weapons.

The COURT. Where did you serve?

The WITNESS. In Europe.

The COURT. Which army?

The WITNESS. Pardon?

The COURT. With which army?

The WITNESS. First and third.

By Mr. GARBER:

Q. When did you get home, from the army?—A. From the army?

Q. Yes.—A. February 12 of this year.

Q. February 12 of this year?—A. Yes, sir.

Mr. GARBER. Well, I believe that's about all, although I would like to have the young man remain a little while.

The COURT. You want him to remain a little while?

Mr. GARBER. Yes.

The COURT. Will you step outside?

(Witness excused.)

5:20 p. m.

CARL RENDA, having been by the Court previously duly sworn, was examined and testified further as follows:

Examination by Mr. GARBER:

Q. We have been talking this over today, Carl, the police officer and the Judge and myself, and this is an opportunity, that if you want to change your story on this, and tell us just what the contract, what the deal was over there, to tell it, and I think even though you may not have told us the whole truth or lied to us about this to a certain extent, that if you do come through now and tell us the truth, you won't get into any serious difficulties. I think that will be true of the Court, providing we know it is the truth. Now, you told us about your meetings over there, and the first time they show you went in there in sometime in April, about two days before you got this contract. Who paved the way for you?—A. No one paved the way.

Q. Now, what is the story, the whole story of how you got that contract?—A. Well, I have told you a number of times, and it isn't any different. I told you the truth, I am under oath to tell the truth, and I did tell the truth. It is exactly a legitimate deal. I haven't hurt anybody and haven't done anything underhanded.

Q. Who introduced you over there to the Briggs crowd?—A. No one did.

Q. Why did you pick the Briggs?—A. Just picked one at random.

Q. Why did you not pick Chrysler?—A. I just picked Briggs.

Q. You went over to Murray Body?—A. That's right.

Q. How far did you get with Murray?—A. Not very far. They were supposed to call me back.

Q. You never heard from them.—A. I never heard from them.

Q. Why did you go to Murray Body?—A. Well, we wanted to try to get some scrap out of there.

Q. After you had the Briggs contract?—A. Yes, sir.

Q. Who did you talk to over there?—A. I don't remember the gentleman's name, but when I went in, I was directed to the man, I think, in the salvage department.

Q. What story did you tell him?—A. I asked him, I wanted to buy scrap.

Q. What did he say?—A. Well, he said that everything was sewed up, I wouldn't be able to purchase any scrap. If there was any change, he would notify me.

Q. Now, that's what Mr. Herbert told you.—A. Mr. Herbert?

Q. Yes.—A. I never saw Mr. Herbert till Mr. Cleary introduced me to him.

The COURT. You went down, talked to Mr. Herbert, told him the same story, you wanted to get scrap and wanted to get the bids, and he wouldn't open up the bids for you, and you told him, in substance, if he didn't talk to you, you would go to somebody higher up, and you did.

The WITNESS. That isn't true, sir. Mr. Cleary introduced me to Mr. Herbert.

By Mr. GARBES:

Q. Let me read you this:

"I first met Carl Renda on or about March 27th, 1945, when he came into my office with one Charles Martin, whom Renda introduced to me as his business manager. He told me that he was interested in purchasing all the scrap from Briggs, and that he wanted to see the bids furnished by the other companies for the next quarter, so that he would know what to bid. I told him flatly that I would not do business that way—never had in the past—and will not so do in the future. I told him that he had a right to submit a bid if he wished, but that he would take a chance along with the others, because all the bids were sealed. He said in effect that he wouldn't do business with me, so he would talk with someone else. That terminated the conversation. I was called up to Mr. Cleary's office some time the following week, and when I entered into his office, he asked me if I had met these gentlemen. I observed Carl Renda and Charles Martin sitting in his office at that time. I replied I had met these men before. Mr. Cleary asked me to describe the requirements necessary, in order to handle the salvage; that is, the equipment required, and how often pickups should be made at each plant. The complete information was furnished Mr. Cleary concerning said question to the best of my ability. No further conversation was had, and I departed. Previous to this date, approximately on the 29th of March, I had taken the bids into Mr. Cleary for his approval. These bids were from Continental Metal Company, Consumers Metal Company, Reliance Metal Company, Federal Alloys, Great Lakes Smelters and M. W. Zak. At that time, I just left the schedule on bids received, on his desk. No statement was made as to who would be awarded the contract. I heard nothing further on these bids until the following day, March 30th, 1945, at which time I went in to Mr. Cleary to get his approval on the bids. He told me to continue operating as we had been until further orders from him, meaning that the salvage company which had the contract for the preceding period should continue their operations, which they did, until the 5th of April 1945.

"On the 4th of April I was called in to Mr. Cleary's office and was told that the Carl Renda Company was to be given all the scrap for the next three months period, and when any new material other than classified, came up, I was told that I should call Mr. Renda and give him an opportunity to bid thereon. At that time he returned to me the schedule of bids, which I had previously submitted to him."

Now, you had seen George Herbert previous to that time.—A. I had not, sir. I had never seen George Herbert.

Q. And the first time you were admitted over in the Briggs plant that you went in, that is, where you signed up, was on April 2nd, 1945, and you were there exactly four minutes, to see Mr. Cleary, and you were back there again the next day, and were there for exactly ten minutes, and on the 5th you went in at 10:50 and stayed until 11:05, that's 15 minutes, and you had Mr. Martin with you. Now, how did you get in these other times when you didn't sign up? Did you go through some other door or how did you get in?—A. I went in through the front lobby.

Q. Did Mr. Cleary come down and take you up without signing up?—A. He came down once, but was on his way to lunch, and took me to lunch with him.

Q. How did you happen to get an invitation to lunch?—A. Because I had an appointment with him, he was not able to keep, and told me we would discuss it at lunch.

The COURT. Where did you go for lunch?

The WITNESS. I don't know. He picked some spot there on Warren.

By Mr. GARBES:

Q. Now, that's the first time you ever told us about going to lunch with him.—A. I am sorry, you never asked me.

Q. Do we have to hit the nail right on the head to get this information?—A. I am going to cooperate, but you were shooting questions at me so fast, I

tried to answer to the best of my ability. I know a couple of other items I didn't tell you about.

Q. What are they?—A. I told you I had no office. I did have an office.

Q. Where?—A. The new Secretarial Building.

Q. When did you get that?—A. I must have got that sometime in April, but when you were talking to me, it didn't come to my mind.

Q. What was the number of that office?—A. Well, it's on the corner of Milwaukee and Cass.

Q. That's the office of Charles Martin?—A. Yes, in the same office.

Q. You didn't have any office. It was Charlie's office.—A. I had an office.

The COURT. Did you have any stationery directing your mail to that office?

The WITNESS. No; I had stationery before that, directing it to my home.

The COURT. Why quibble about that? Why not tell us frankly you had headquarters at Charlie Martin's, but it was not your office. Did you pay any rent for it?

The WITNESS. Yes, sir.

The COURT. What rent?

The WITNESS. I was signed up there by Mrs. Smith.

The COURT. How do you mean, signed up?

The WITNESS. Well, I went in there, I couldn't get a desk, couldn't get an office.

The COURT. Did you have a lease?

The WITNESS. No, sir.

The COURT. Did you have anything in writing to show you were in that office?

The WITNESS. Well, I have the checks I paid her, whatever I owed them, secretarial fees, phone calls, and so forth.

The COURT. You just went in there to use the stenographer.

The WITNESS. No; to get all my phone calls.

By Mr. GARBER:

Q. Is that the phone calls where they called you, or did you give them the number of Sam Perrone's home?—A. All the trucks that were ordered by Briggs from me, were ordered through that office.

The COURT. What?

The WITNESS. The trucks that were ordered—every night they would call in and order so many trucks—would call them into my office, or any outside calls would come there, and I would get the message. That's the only thing that was available. I couldn't get an office.

The COURT. Here you are, getting a big contract with a big company, and you couldn't even get an office.

The WITNESS. Those absolutely have to be taken——

The COURT. Don't you see how your story is all twisted up in there?

The WITNESS. It is not twisted.

The COURT. It hasn't got the ring of truth.

The WITNESS. It is the truth.

The COURT. It is the truth when you tell the truth how you got this contract.

The WITNESS. I told you gentlemen how I got this contract.

By Mr. GARBER:

Q. Who went to lunch with you that day besides Mr. Cleary?—A. Just Mr. Cleary.

Q. Is that the first time you ever met Mr. Cleary?—A. No.

Q. What was the first time you met him?—A. Well, I told you sometime in March or April. I can't remember the day.

Q. How many times did you talk to him before he invited you to lunch?—A. Probably half a dozen times.

Q. Before you were invited to lunch?—A. Well, it was just one of those things. He met me in the lobby.

Q. Was that after you had the contract?—A. No, sir.

Q. Let me show you something now. There's a list from February 1945, a list of the times you were at the Briggs plant in February 1945 to June 1945, and will you show me a date you were in to see Mr. Cleary before April 2d 1945, when you went through the regular course of business of getting in there?—A. No, according to your sheet, I cannot.

Q. But Martin had been there when?—A. In February.

Q. And here are the number of times you and Martin went together, is that right? And what are those dates that show there?—A. April 5th the first time.

Q. Yes, April 5th.—A. May 2d.

Q. No, what's this? April 5, 10, 12, and 16, you went there together, didn't you?—A. That's right.

Q. Now, all these times you are talking about, was before you got your contract?—A. That's right.

Q. And you didn't get your contract till the 5th of April, did you?—A. According to—you have my papers to that effect. I know it was the early part of April.

Q. It was the 5th, wasn't it?—A. I suppose so.

Q. Then, how were you getting in and out of Briggs without signing up with the war on, if you didn't have special privileges?—A. I didn't have special privileges; no.

Q. How did you do it?—A. I walked through the desk—the man at the desk recognizes me. You can ask him. I walked through the front. I always walked through the front.

The COURT. Ultimately they gave you a pass.

The WITNESS. No.

The COURT. You could go in and out on that?

The WITNESS. I couldn't go into the office even with my pass. That only entered me into the salvage department.

The COURT. You are not telling us you could walk into a war plant. Why, I couldn't walk into a war plant either there or 8500 Warren Avenue, or anywhere else.

The WITNESS. Do you have one of those records?

By Mr. GARNER:

Q. There it is.—A. You show me these records. Are there any others that could have been kept, because I know I went in before that.

Q. How did you get in?—A. I went in through the front door.

Q. Did you get any special attention that you could get through there?—A. No.

Q. Did the guard take you through without signing?—A. None whatsoever.

Q. According to those records, you didn't get into that Briggs plant in the regular way till April 2nd.—A. Well, there's some mistake somewhere, because I never saw George Herbert until I was introduced to him by Mr. Cleary, and I never went down to George Herbert and demanded any scrap from him.

Q. Did you go down there and ask him how to get hold of those bids?—A. No, sir.

Q. Now, can you give us any reason why Mr. Herbert would want to lie about that?—A. He doesn't have much use for me. I can tell you that.

Q. Well, he never knew you, did he?—A. No, he didn't. He didn't have to know me.

Q. He didn't know who you were. Now, you heard the names I read off that he said had been sent up to Mr. Cleary, and I show you Grand Jury Exhibit 3 and ask you if Continental Metal, Reliance Metal, Federal Metal, Great Lakes, M. W. Zak—all but Zak had furnished bids on that stuff, right?—A. That's right.

Q. And then Mr. Cleary, according to you, partly in his own handwriting and Mr. Burt, was so kind as to add your name on there with the prices—added the name Carl Renda up in there, Mr. Burt did, with the typewriter, and handed you the bids and gave it to you, is that the story?—A. That's what shows here.

Q. What was the reason for it?—A. He wanted to do business with me. He was dissatisfied how the account was being handled.

The COURT. How do you account for that? Don't tell us that story, because just as soon as you got that contract or got the right to take that material, you did business with the same people.

The WITNESS. Maybe I had to do business with the same people.

The COURT. If he was dissatisfied with them, why was he going to allow a fellow like you to continue to use them to haul out the material?

The WITNESS. Because those same people went up there and asked him, and he told them it was my account.

By Mr. GARNER:

Q. Sure, he told them it was your account.—A. And I was to handle it, and as long as I took care of my account, he had no objection to my handling it, because they went in, naturally, and wanted to know why they didn't have that account.

Q. Do you recall the conversation when Mr. Cleary inquired of Mr. Herbert what equipment was necessary?—A. He did not inquire about any of that in

my presence. The only thing he told Mr. Herbert in my presence, if Mr. Herbert will tell the truth, he said, I was awarded the material, to see Mr. Herbert as to the disposal of this material. I saw Mr. Herbert. He bawled me out; he didn't like the setup. He said, "Why should they do business with you"—wanted to know why and wherefore, didn't want to cooperate. I went back to Mr. Cleary. Mr. Cleary called him into his office and told him the material was being sold to me. If there were any questions, ask him.

Q. Mr. Herbert asked you the same questions we are asking.—A. No.

Q. He wanted to know how you got the contract?—A. No—how could I purchase that material. He didn't want me to handle that account. I know he didn't.

The COURT. There were good reasons, weren't there? One reason, he didn't know you; the second reason, you had no equipment; the third, you didn't know the business, and the fourth reason, you had Continental and Woodmere taking the scrap. When you got in the picture, without any experience, any equipment, you immediately took on those same two concerns and continued to do business with them since then.

The WITNESS. But he didn't know that. He didn't know that at the time I was talking to him.

By Mr. GARBNER:

Q. Well, Mr. Renda, Mr. Herbert had a very good report, and all of the other items are correct except the items that bear on certain conversations that you say now are incorrect.—A. Those are incorrect.

Q. What reason would he have to be mad at you?—A. What reason would he have to be mad at me? Because he had his pets. How they were taking care of them, I don't know.

The COURT. His pets.

The WITNESS. Yes.

The COURT. They're your pets now.

The WITNESS. Not my pets, if I have to do business with them.

The COURT. You don't have to do business with them?

The WITNESS. Some I do.

By Mr. GARBNER:

Q. Why?—A. I can't eat this scrap, I have to dispose of it.

The COURT. Just a moment. You are a college graduate. How do you draw the conclusion that Woodmere and the Continental were pets of George Herbert's when he was disposing of the Briggs scrap to them, and then you come in to change the picture, and you do immediately business with them, with the two same concerns, Continental and Woodmere, and when you are doing business with them, they are not your pets, but when George Herbert was doing business with them, they were his pets. There's the joker in the pack, and the falsity in your reasoning.

The WITNESS. I will answer you the reason. Those people were getting scrap out of there. Mr. Herbert opened these bids. Doesn't it seem strange they should be high bidder all the time?

The COURT. Not in my book, no.

The WITNESS. Why not?

The COURT. You don't bid at all now.

The WITNESS. That's right, now, I don't.

The COURT. There are no bids.

The WITNESS. That's correct.

The COURT. You still get it?

The WITNESS. That's right.

The COURT. How is that?

The WITNESS. Because I got together with Mr. Cleary and we worked out our prices, which were agreeable to him and myself.

The COURT. You didn't work out the prices?

The WITNESS. That's why I had Mr. Martin.

The COURT. Martin was not conversant with ferrous and nonferrous. He was in waste paper and rags.

The WITNESS. That's all scrap, all scrap business.

By Mr. GARBNER:

Q. Mr. Cleary has been dead since June. What you worked out, regardless of changed conditions, is still good?—A. It has been. Apparently you have a different idea—my contract is no good.

Q. I doubt very much if your contract is worth a nickel, unless we get something more satisfactory out of you.—A. I am telling you the truth in everything I know, believe me.

Q. I wish I could.—A. I wish you would, because it is the truth.

Q. Well, Carl, I will tell you, I am 48 years old, and I never have suffered any, and I have handled some good deals, and I never was able to accomplish any such deals as you have done without some force or some consideration other than appears on the face of this, that you simply could say, "I will purchase all this stuff," Briggs Manufacturing Company doesn't even agree to sell. You say, "I will take it off your hands for so much." You get an option to buy, or an offer to buy, is what you got there. So without committing themselves, without going to any lawyers, without even having a proper contract, they have continued to do business at a loss with you, so far as it appears on its face. Now, some place in back of that contract is the answer, why they are willing to do business with you, and why they are willing to lose money, and the one thing that we know, it follows a direct pattern that has been followed for years by your father-in-law; that he takes care of the strike angle. He's got a sweetheart contract like you have, and it is just a duplicate, only yours is a little bigger than the contract that exists between Sam Perrone and the Detroit Michigan Stove Works. You have a little bigger contract, a little better contract, but it follows right along the line. You have these six beatings. You have your stepfather back over on the other side, beating men up. You have your father-in-law, less than three years ago over here threatened to take care of a CIO organizer, Emil Mazola.—A. May I interrupt? You said something about my stepfather.

Q. I mean your father-in-law—the same pattern exactly. He takes all the scrap over here for nothing. You tell us a man considered by his friends to be as much a victim of the war as if he were shot in the battlefield, was stopped in the middle of a battle to enter into an entirely new contract with a young man without qualifications, kick out all the fellows who served well during the war, keeping the plant free of scrap, doing everything necessary, allow you to come in, disrupt the whole program of scrap, which is a large program, and keeping it cleared without any equipment or anything else, but they do have one thing that is a thorn in their side, that is labor trouble. So, since the time you took over, or just about the time you took over, on the 22nd of March, about the time you first started to go there, and possibly as a demonstration of the ability of what you can do, one of those fellows got the tar knocked out of him.—A. I never touched anybody.

The COURT. Of course you didn't. You engineered it.

The WITNESS. Judge, no, I didn't touch anybody.

The COURT. Who are the goons that did the job?

The WITNESS. I don't know the goons.

By Mr. GABER:

Q. So you get the contract and since you got the contract, there have been five more of these beatings, all of which are labor agitators, all of which have saved Briggs Manufacturing approximately a million work hours of unauthorized work stoppages, so they could afford to pay you to take that scrap out.—A. Why would they quibble about prices?

Q. I don't think they have quibbled about prices.—A. You bet they have.

Q. If they have, it's only to save face with somebody in the plant, and part of your quibbling has come up since this Grand Jury has been interested.—A. They would never give me their bundled steel.

Q. No: I will tell you the answer to that, because the bundled steel has to go back to their supplier, in order for them to get more steel direct.—A. I would send it back to them.

Q. But the deal is, and most of them have the same contract, that their bundled steel goes direct back to the supplier, and there's no brokerage in the meantime. So that's the change—you perhaps never had it anyway, because Silverstine had it, and Silverstine hasn't it now.—A. If they wanted to do me a favor and I was their pet boy, they would have given it to me.

Q. They already have given you a favor to the tune of fifty or sixty thousand a year on your own figures. Why did you tell somebody you expected to be called in on these beatings after the Grand Jury started?—A. I didn't tell anybody I expected to be called in on the beatings.

Q. Would you say a man you know very well, would be untruthful if he told us that?—A. I would say he is, because I never made that statement.

Q. Did you say you expected to be called in?—A. I figured I might be called in. I have been expecting that a long time.

Q. Why?—A. Because I knew the FBI investigated me.

Q. The FBI investigated you, because you got some scrap that wasn't sold according to the law.—A. Well, that I don't know.

Q. Well, I will tell you that, and Briggs paid for it, \$1,900 worth, because they sold it to you less than they should have, and that was government property, and they couldn't do it, and that's only another reason I don't believe your story that Briggs Company are so big-hearted, in order to do business with Carl Renda, they are going to absorb \$1,900 for some commingled scrap and not charge it back to you.—A. Well, a deal is a deal, whether it is good or bad.

Q. What we want to know, what is the deal.

The COURT. Right there. You only make the situation to fit yourself. A deal is a deal, whether it turns out good or bad. That's your conclusion isn't it?

The WITNESS. That's right.

The COURT. And that's the truth, isn't it?

The WITNESS. That's right.

The COURT. Now, didn't you put in an order with another concern for these trucks and promise them faithfully that if they got the trucks to you, and got the title in your name, you would give them a mortgage back; that if that happened you would sell this scrap to them, and is it a fact that they carried out their deal, and you repudiated yours? In that case, a deal was not a deal.

The WITNESS. It was a verbal agreement. A deal was a deal, because it was awarded me.

By Mr. GARBER:

Q. Do you want to see the contract you had on that deal?—A. That's right, but it never went through.

Q. It never went through. It wasn't advantageous to you.

The COURT. You repudiated it, didn't you? Is that a fact?

The WITNESS. I repudiated it; yes, sir.

The COURT. And you got the trucks, didn't you?

The WITNESS. That's correct.

The COURT. And you got the title in your own name?

The WITNESS. They weren't trucks, they were trailers.

The COURT. And they got a mortgage back?

The WITNESS. There was no mortgage involved.

The COURT. All right. You paid for them; however you paid for them, you paid for them, but they didn't get the scrap, did they?

The WITNESS. That's right, they didn't.

Mr. Mr. GARBER:

Q. You had agreed on a price.—A. It was written out, but wasn't accepted by either part.

Q. But there was a consideration; they got those trailers for you, and they could get them and you couldn't get them?—A. I didn't make any attempt to. They told me they could get them.

The COURT. You knew you couldn't get those trailers.

The WITNESS. Why not?

The COURT. Don't you know you couldn't get those trailers?

The WITNESS. Sure, you could get those trailers.

The COURT. Did you get them?

The WITNESS. I didn't get them, no.

The COURT. They got them for you.

By Mr. GARBER:

Q. Were you ever sent for by Dean Robinson until after he had been down here, before?—A. Mr. Cleary introduced me to him.

Q. Yes, I know—

The COURT. But after you got the contract, did you ever see Dean Robinson again, I mean, ever talk to him again?

The WITNESS. Wait a minute.

The COURT. Until here lately?

The WITNESS. No, sir.

The COURT. Then you were called in lately?

The WITNESS. Yes.

The COURT. You understood when you were called in, he had been down to the Grand Jury?

The WITNESS. I knew something was wrong. I did understand he had been down here. I knew there was something that didn't smell just right.

The COURT. Well, he will be down again, if it is any consolation to you.

By Mr. GARBER:

Q. Now, you were in to see Dean Robinson on 6-15-45.

The COURT. That's June 15, 1945.

The WITNESS. I will be frank with you, I was in to see him a couple of times, and was never permitted to go in.

By Mr. GARBER:

Q. You saw him that time?—A. No, I didn't.

Q. You tried to see him 7-10-45 and he wouldn't see you?—A. That's right.

Q. But you did see him June 15th, and it is marked "personal."—A. I only saw him once, and went up to see him a couple of times he refused to see me.

Q. What did you go up to see him about?—A. I wanted to get the bundled steel. I thought perhaps he might help me.

Q. Well, now, you went in to see Mr. Robinson, Mr. Renda, on June 15, 1945. You went into the office at 11:06 a. m. and you stayed till 11:20, personally.—A. That was the time I went up to see Cleary, I met him.

Q. You went to see him when?—A. The only time I met him was when I went up with Cleary.

Q. Was that before you got your contract?—A. Yes.

Q. Well, that would be away back in April?—A. That's correct.

Q. I said 6-15—that's June 15, 1945—you went in at 11:06 a. m. and came out at 11:20. You saw Mr. Robinson and that was personal. You went again to see him on 7-10-45 and he refused to see you?—A. Well, if I saw him, I don't remember it. I don't know what went on. I don't remember seeing the man after that time.

Q. And then he called you in to see him after he had been down here. What did he tell you then?—A. He asked me who I was connected with.

Q. What did you tell him?—A. I told him I was in business for myself.

Q. What else did he ask you?—A. Then he asked about the prices. He said they was saying, and they understand I am making too much money on this. I tried to explain I wasn't. I explained what the charges were for one thing and another.

Q. Did he ask you about Sam Perrone?—A. He asked who he was. He asked if I knew Sam Perrone? I told him it was my father-in-law.

Q. What did he say?—A. He didn't say anything.

Q. Did you ever give Mr. Cleary any money for this contract?—A. No, sir.

Q. Did you ever give any money to anybody for this contract?—A. No, sir.

Q. Are you sure there wasn't any chance of a cut between you and Cleary?—A. No, sir.

Q. And no chance of a cut between you and Robinson?—A. No, sir.

Q. Is there anybody in that plant you are paying money to?—A. No, sir.

Q. In other words, every nickel you make you keep?—A. Yes, sir.

Q. So far as that plant is concerned.—A. That's right, sir.

Q. There's nobody on your payroll?—A. No, sir.

Q. Did you ever agree to pay anybody and then renege?—A. No, sir.

Q. Did you ever agree to pay Herbert and then renege?—A. No, sir.

Q. So that deal is just as clean, so far as the money you receive, you keep it all.—A. That's right.

Q. Did you ever pay Blackwood?—A. No, sir.

Q. Did you ever meet Blackwood?—A. Yes, sir.

Q. How did you meet Blackwood?—A. No, I didn't meet Blackwood. I met Haywood.

Q. How did you meet Haywood?—A. He used to handle disposal of surplus army salvage.

Q. Did you ever meet Spike Briggs?—A. No, sir.

Q. Did you ever meet him out drinking any place?—A. No, sir.

Q. Did you ever talk this deal over with Spike?—A. No, sir.

Q. Would you know Spike if you saw him?—A. No, sir.

Q. Do you know Walter?—A. No.

Q. Did you ever meet him?—A. No, sir.

Q. Did you ever know any of the other board of directors?—A. No, sir.

Q. Did you know Mr. Brown?—A. No, sir.



Q. The only ones you know in that plant—name them off that you knew.—A. I knew Cleary, I knew Herbert, I knew Haywood, Mr. Burt——

Q. Who?—A. Burt.

The COURT. You know them now?

The WITNESS. Yes.

The COURT. But who did you know the first day you walked into the plant?

The WITNESS. I didn't know anybody.

The COURT. You had no experience.

The WITNESS. Only what you can pick up.

The COURT. Well, you had none then?

The WITNESS. The only thing, what Martin told me.

The COURT. Don't let us quibble over the thing. You had been working down by the hour at National Twist Drill, worrying about whether Uncle Sam would call you into the army. You had no experience in this scrap business.

The WITNESS. Not any more than the average layman did, I suppose.

The COURT. Well, the average layman didn't know anything about it.

By Mr. GARBER:

Q. Did you ever tell anybody some scrap dealers in Albion had anything to do with helping you get this contract?—A. No, sir.

Q. You are well known in Albion?—A. Yes, sir.

Q. Did you ever try to get scrap over in Albion?—A. I tried through Harley Transue; I tried to get something out of Union Steel.

Q. Did you get it?—A. At that time they were not using that material because it was not available.

The COURT. Did you try to get scrap from Ford Motor?

The WITNESS. I didn't get a chance to.

The COURT. Why?

The WITNESS. They told me they would call me in, but they never did.

The COURT. You were over there?

The WITNESS. Yes, sir.

The COURT. Who was with you?

The WITNESS. I was by myself.

The COURT. Where was Sam Perrone? Who was the other guy in the car with you?

The WITNESS. There was no one with me.

By Mr. GARBER:

Q. What did you tell Mr. Martin about how you got this contract?—A. I haven't told him much.

Q. Well, he asked you about it.—A. I told him it was a very good friend of Cleary's.

Q. That wasn't true, was it?—A. That wasn't his business.

The COURT. You don't stick very much to the truth, do you?

The WITNESS. Your Honor, I do, but I was in a position; I was in tight quarters. I had to go ahead and try and make a go of this business. It's nobody's business how I got it.

The COURT. It's our business.

The WITNESS. Yes; I will tell you people, but——

The COURT. You haven't told us yet.

The WITNESS. I have told you all I know.

The COURT. Well, maybe you ought to take a rest for a few days.

By Mr. GARBER:

Q. Well, you will admit Charlie Martin was a much smarter scrap man than you ever were.—A. Yes.

Q. In the beginning, at least.—A. Yes.

Q. And Charlie Martin never told you he has gone time and time again to try to get even a little piece of this business.—A. He never told me.

Q. You know he was there, because you have seen his name.—A. Yes.

Q. He couldn't get it, and he was the man you had to rely on for all the information, practically, you had to start off with.—A. That's right.

Q. In fact, he drafted all the contracts you had with Woodmere, Continental, the Paper Company, and all that.—A. That's right.

Q. Yet he went there time and time again and couldn't get the business.—A. I don't know anything about that.

Q. But you stepped right out of the sky or right off—what kind of a machine were you working on?—A. Milling machine.

Q. You didn't even quit your job. You go over and walk out with that contract, go back to Charlie Martin, use his office, he drafted up a dumb contract, Briggs signs it, you take Sam Perrone along for atmosphere, and you force this deal down the neck of Woodmere.—A. I didn't force it. He looked for me; I didn't look for him.

Q. You didn't lose any money on the deal?—A. No; I didn't.

Q. He paid more than what you could buy it for.—A. That was his baby.

Q. His hard luck. You let him load it, haul it, use their equipment, take the same shovels, the same forks, the same trucks, they took it out, and all you did was draw a nice royalty on it, and they could take it and like it, and you upset a combine that's been in force in the city of Detroit for years, you successfully bucked it, and your only point of power seemed to be a father-in-law by the name of Sam Perrone.—A. Well, he had nothing to do with it.

Q. Why did you take him along?—A. I didn't take him along.

Q. He went on these contracts.—A. When he came to Woodmere he was called in by Louis.

Q. He couldn't have been called in if he was not sitting on the phone.—A. He was called on the phone.

Q. He went over there. You entered into a contract.—A. He was called in.

Q. He went along. He didn't have any interest in this business, did he?—A. No.

Q. Except his reputation.—A. I didn't take him for his reputation.

Q. Do you know a fellow by the name of Caruso?—A. What name?

Q. Caruso.—A. No; I don't.

The COURT. Who is the goon that made these assaults?

The WITNESS. I don't know of any goons that made any assaults, your Honor.

The COURT. Or these hoodlums.

The WITNESS. I don't know of any.

The COURT. Do you understand me when I say "goons"?

The WITNESS. I understand what you mean.

The COURT. Who paid them?

The WITNESS. I don't know.

The COURT. Who did you pay that \$2,400 for expenses?

The WITNESS. Those were legitimate business expenses.

The COURT. What were they?

The WITNESS. Traveling, cigars, cigarettes, lunches.

The COURT. Where is that itemized in your books?

The WITNESS. It would be itemized from month to month.

By Mr. GARBET:

Q. It comes out exactly \$2,400.—A. I don't know whether that is the exact figure or not.

Q. That wasn't \$400 for six beatings?—A. No, sir.

Q. \$200 to each guy?—A. No, sir; I have nothing to do with those.

Q. Have you got any relatives that live up at Albion?—A. Yes.

Q. Who?—A. Two aunts.

Q. Any men?—A. Yes, two uncles.

Q. How old are they?—A. One is about 45, the other is about 35, I imagine.

Q. How big is he?—A. Oh, about 5 feet 10½, about my size.

Q. How much does he weigh?—A. About 175.

Q. You say this uncle of yours is 5 feet 10½?—A. Yes, sir.

Q. And weighs 175 pounds, 35 years old.—A. Just about 35—close to 40.

Q. Well, five years is a lot of differential.—A. Well, this fellow wouldn't have anything to do with it. He has been sick with his heart ever since he was a child. As a matter of fact, he can't even work.

The COURT. Where does he live?

The WITNESS. In Albion, Michigan, sir.

The COURT. How many goons have you got on your squad?

The WITNESS. I haven't got any goons, your Honor.

By Mr. GARBET:

Q. Do you belong to any union?—A. I used to belong to the CIO.

Q. What local?—A. 771.

Q. That's when you were working at the National Twist Drill?—A. Yes, I think either 771 or 751.

The COURT. Have you still got a card?

The WITNESS. No, I haven't.

By Mr. GARBER:

Q. Do you have truck drivers?—A. I just have my brother that drives a truck.

Q. Does he belong to the union?—A. No.

Q. He doesn't belong to the Teamsters?—A. No.

Q. How long has he been a truck driver?—A. Since about August.

Q. Did they ever come around from the Teamsters Union and ask you to join?—A. No, sir.

Q. Did they ever bother you in any way?—A. No, sir.

Q. How many truck drivers has Sam got?—A. Well, he's got four truck drivers.

Q. Do they belong to the union?—A. I don't think so.

Q. How long have they been driving trucks?—A. That I don't know.

Q. They don't belong to the Teamsters Union?—A. Not that I know.

Q. Does Sam belong to the union?—A. Gee, I don't know. I don't imagine, unless when he was in the core room.

Q. Well, he hasn't been a coreman for how many years?—A. Two or three years.

Q. Sam doesn't have anything to do with the cores now; does he?—A. No; as far as I know, he doesn't.

Q. To the best of your knowledge, none of his truck drivers belong to the union, he doesn't belong to the union or your driver doesn't belong to the union.—A. That's right.

Q. Or have anything to do with the union?—A. Nobody ever approached my brother to join the union. Nobody approached me. My business has nothing to do with my father-in-law.

Q. I am talking about the two of you.

The COURT. Is there any reason why?

The WITNESS. No one ever came around and wanted to sign them up. No one asked me about it either. He's not on the road every day—probably goes from one plant back to the yard.

By Mr. GARBER:

Q. Well, your trucks drive for Perrone, too.—A. Well, he has his own driver on that. I let him use the truck whenever he wants to.

Q. As far as you know, none of his drivers belong?—A. As far as I know, no. Q. None of his truck got dumped over; did they?—A. I haven't heard about it, if they did.

Q. Do you know a fellow by the name of Caruso?—A. No, sir.

Q. Angelo Caruso?—A. No, I don't. There's a lot of Carusos, but offhand I can't remember any that I know.

The COURT. Well, I guess we have gone about as far right now as we can tonight, and we will confront you with a very substantial citizen tomorrow, who will know a lot about this deal.

(Discussion off the record.)

(Witness excused.)

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crime, in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Wednesday, December 18th, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:40 p. m.

WILLIAM DEAN ROBINSON, having been by the Court previously duly sworn, was examined and testified further as follows:

Examination by Mr. GARRER:

Q. Mr. Robinson, since the last time you were here, have you made any investigation of how this contract was entered into with Renda Company, or why?—A. Well, I have talked to Renda. I had him come in with our present purchasing agent, Mr. Cochrane, to find out what connection he had with the Perrone family, and whether or not Perrone had anything to do with his particular business, and he denied that he has, financially or otherwise, so far as any reason for entering into the contract; no, I don't know any reason why he was selected as the man to handle scrap, and I have no way of finding out.

Q. You met him before the contract was entered into, is that correct? Did Mr. Cleary bring him in?—A. With Mr. Cleary, that's correct.

Q. And do you know how that came about?—A. No; I don't.

Q. Why Mr. Cleary would bring Mr. Renda in to see you?—A. No, I don't; except as I told you before, that we had not been satisfied with the deal we thought we were getting, and thinking about it since then, less satisfied than ever, because it is very strange to me that anybody in that business could be the low bidder for as many years as they were supposed to be.

Q. Well, you never made a check of the bids that were accepted by Mr. Cleary at the time he gave Mr. Renda the contract, have you?—A. No, sir.

Q. Do you know whether they were the low or the high bid?—A. No; I don't. We, in things of that kind, I mean, so far as in my position with the company since 1935, on many occasions I have had people try to get me to intercede for them in business, to sell us something, and I have never in my life told the purchasing agent to do anything but to introduce them to a person, if, in your opinion, they can give service and meet the price; I think this fellow is entitled to a chance, but that wasn't the case with Renda.

Q. Well, are you satisfied now, Mr. Robinson that the same people you say you were dissatisfied with are still removing the scrap?—A. Yes; I believe this one outfit still has a crane in our place and some equipment.

Q. Well, Mr. Renda hasn't any equipment there, has he?—A. Oh, yes; he has. He has trucks there.

Q. What equipment does he have?—A. Trucks.

Q. You don't know how those trucks happen to come in? They are not being operated by him at all, simply bear his name?—A. Well, I asked him that question when he was in with Cochrane. I think he said he had six or seven trucks.

Q. They are not operated by him?—A. I don't know.

Q. Just bear his name?—A. I don't know.

Q. As a matter of fact, those trucks operate for Woodmere, are manned by Woodmere, insured by Woodmere; they are maintained by the Woodmere, and they receive \$1 a ton for every load of scrap that goes out of your place of business?—A. Well, that's news to me then.

Q. So the same people are still removing the scrap with the same shovels, the same cranes, the same trucks, except they now are leasing from Mr. Renda five or six trucks.—A. Well, I don't know. He told me he had six or seven trucks, I believe it was.

Q. That's right, but they are leased to Woodmere on \$1 a ton load basis; they maintain them; furnish workmen's compensation for the drivers; so Mr. Renda has nothing to do with them outside he went out, purchased the equipment, and turned it over on a lease basis for the Woodmere?—A. That's news to me.

Q. So the same people are still taking the scrap?—A. I don't know anything about that, but, of course, the scrap business is peculiar. The only thing I can figure out, over the period of years, assuming one, whether Woodmere or someone else, were the low bidder, there's only one reason for that in my opinion, because these fellows have a pretty tight association and control the outlet for scrap; whether it was Renda, Bill Jones, or John Smith I assume they would have to sell to that same outfit. How much it cost you because of this combine over the period of years, there isn't any way for us to find out, I don't know, but I am satisfied in my own mind.

I will go to great length to keep ourselves from getting enmeshed in this same ring again, I tell you that. It isn't open competition. They control the market, evidently. We never know how much the damn thing is going to cost us.

Mr. MORRIS. That is, you mean you don't want to become enmeshed in the same bidding ring that has been buying your scrap through the years?

The WITNESS. That's right. It seems very strange to me, when I am going into this thing, and it would seem to be strange to anyone, that anyone could be the low bidder for so long a time.

(Discussion off the record.)

(Witness excused.)

# STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Friday, December 20th, 1946.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

HARVEY SIMON, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your name?—A. Harvey Simon.

Q. Where do you live, Mr. Simon?—A. 3789 Rochester.

Q. How long have you lived in Detroit?—A. Oh, I should say about 35 years.

Q. Are you married?—A. Yes, sir.

Q. A family?—A. Two children.

Q. You were born where?—A. Who, me?

Q. Yes.—A. Manchester, England.

Q. When did you come to this country?—A. When I was two years old.

Q. You don't remember too much about it?—A. No.

Q. Where are you employed?—A. Briggs Manufacturing Company, Mack Avenue plant.

Q. How long have you been employed there?—A. It's going to be ten years—I think it's ten years already. I think it's the 23rd or 26th.

Q. What is your employment at the Briggs?—A. Foreman in the Salvage Department.

Q. How long have you been foreman in there?—A. Oh, I should say—I was straw boss, and then I should say I was foreman about eight years.

Q. Do you know the Woodmere Company?—A. Yes, sir.

Q. And do you know the owners?—A. Yes, sir.

Q. How long have you known them?—A. Oh, quite a number of years. My cousin used to know them.

Q. Did you ever meet them on the job over there picking up salvage?—A. Yes, sir.

Q. And do you know Mr. Temchin?—A. Yes, sir.

Q. Of Continental?—A. Yes, sir.

Q. And did you know George Herbert?—A. Yes, sir.

Q. And during the time that you have been foreman, have they always been the companies, that is the Continental and the Woodmere, have they always hauled metals out from the Briggs since you have been there?—A. Woodmere hauls iron; Temchin, Continental, hauls metal.

Q. Nonferrous?—A. Yes.

Q. Levine Paper, they were hauling?—A. Yes. They are not hauling any more, quite a while they haven't been.

Q. Do you recall when there was a change in the hauling or sale of salvage?—A. There was two changes.

Q. What were they?—A. Reliable came in there and took this non—

Q. Nonferrous?—A. Metal, and then he was there. I can't tell you the exact dates or how long, but he was there for a while, maybe—well, in that metal there's changes every month. There's new bidding in that every month. There still is, every three months. Paper is every month and Reliable came in there for, oh, I should judge, maybe five or six months, and then another fellow came

in by the name of Carl Renda, and he came in and he got the steel and most everything out of there.

Q. Do you recall when he first started to obtain the metals?—A. No, it would be very hard for me to tell you, but it's been over a year, I know that.

Q. Would it refresh your memory—about April of 1945?—A. If I said, yes, I would be lying to you. Really, I don't know.

Q. The exact date?—A. Yes, I couldn't recall it.

Q. Anyway, there was a change and Renda came into the picture?—A. Yes.

Q. Do you know whether Woodmere still hauls the iron?—A. Yes. The same companies that were in there—not all the companies—Woodmere hauls steel, Continental hauls the metal, and we load the paper on boxcars, and it's shipped to the different companies. I think it was shipped to either Monroe or Kalamazoo, I couldn't say, because I very seldom make a bill out on paper. All paper is shipped on days, and all billing is made on days. The only thing I bill and ship is Woodmere—made out to Carl Renda and Woodmere hauls it to their yard.

Q. Have you ever heard there was any dissatisfaction in the weights or mixing of the metals before Renda Company came in there?—A. No, sir.

Q. As far as you know, everything was all right?—A. Yes.

Q. They never had any difficulty, as far as you know?—A. As far as I know, they always have given satisfaction.

Q. Any short weights you had trouble with?—A. Never. We don't weigh it.

Q. To your knowledge Woodmere and Continental were giving satisfactory service to the Briggs Manufacturing?—A. Yes, sir. They been there for years and years, away before I ever got there.

Q. You know of no reason, short weights, mixing of metals, anything, that was not satisfactory?—A. Well, there was a couple of times our weights didn't agree with their weights, but they were always adjusted by Mr. George Herbert.

Q. They were always adjusted satisfactorily?—A. Yes, sir.

Q. Outside those two or three instances, you don't know of any difficulties they had.—A. No, never.

Q. How long have you known Mr. Herbert?—A. I worked with him from the time I got the job in the Salvage Department. I was there before he got in. He used to be a clerk, had a clerking job. He had an office run by Mr. Rea. I never met the man. They paid him off maybe two months after I got the job, and Mr. Herbert got it. When Mr. Herbert got it, they made a clean sweep, got rid of all the foremen in the Salvage Department. I stuck with Mr. Herbert and he made me a straw boss, and two or three months later he made me foreman. In these companies, as soon as it slows down, they take the foreman's job away, and you got to work. Then there was an opportunity for me to go to the Eight-Mile plant as foreman, and I went there. Mr. Herbert sent me out there.

Q. You know nothing against Mr. Herbert?—A. He did play me dirt a couple of times, I think he did.

Q. That's a personal matter?—A. Yes.

Q. You never heard of him being dishonest?—A. Never.

Q. He told the truth?—A. Yes, sir.

Q. You would believe him under oath?—A. Yes, sir.

Q. Did you ever make any inquiry why the Renda Company got this deal?—A. No, sir.

Q. Did you ever hear any rumors?—A. No, sir.

Q. Did you ever make any statements about him?—A. Not to my knowledge.

Q. Do you know a man by the name of Herman Patler?—A. No, sir.

Q. You don't know him?—A. Maybe if I see his face. What does he do?

Q. He works for Briggs Manufacturing Company?—A. Patler?

Q. Stock chasing.—A. You mean Ross, don't you?

Q. Herman Patler, he's a stock chaser.—A. Patler—Patler—no, sir, I don't know his name.

The COURT. Where do you live?

The WITNESS. 3789 Rochester. Does this fellow live over on Hamilton?

By Mr. GARBET:

Q. He lives at 2080 Ewald Circle now.—A. I picked up a fellow during the war, is that what you mean?

Q. Yes.—A. Well, I don't know his name, to tell you the truth.

Q. Did you ever have a conversation with him?—A. I don't know the man. If I would see him, why, I would know him possibly.

Q. He's a Jewish fellow.—A. Yes, I know he is.

Q. Then, did you ever have a conversation with anyone that runs a little like this, to refresh your memory—did you ever tell anybody this story: "He said"—meaning you—A. Yes.

Q. "He said, 'looks like Briggs is not going to have any more labor trouble,' and I said 'how come, did the union and the company get together,' and he said, 'Oh, no, they have got a bunch of fellows to take care of troublemakers.'" Did he say what kind of fellows they were, what nationality?—A. Yes.

Q. What nationality?—A. Italian boys.

Q. Did he mention any names?—A. No, I am not sure about the names. It sounded like Bonmarito and names like that, I am not positive about that.

Q. But he did state there had been a change in the fellows who were hauling this stuff away?—A. I understood Woodmere Scrap and Metal takes the scrap away but I think there was something else, some other type of salvages."

Q. Now, did you ever talk to anyone about this change?—A. Not to my knowledge. I might have said Carl Renda is in there, a new guy, getting in there, and possibly I said he must have some drag to throw these fellows out.

Q. Well, did you ever make any statement, or did you ever hear that these Italian boys were given that salvage contract in order for them to play a part in labor troubles?—A. No, sir.

Q. You never heard that?—A. No, sir.

Q. You never made such a statement to anyone?—A. No, sir. I might have said they must be pretty powerful if they can throw Woodmere out of the place and Continental and get in there, unknown as they are, I might have said that.

Q. But did you ever hear from anyone the reason they were put in there was they were to help out in labor troubles?—A. No, sir.

Q. Did you ever hear of any of those boys being beaten up?—A. No, sir. What I read in the paper.

Q. Well, you read in the paper about some beatings?—A. Yes, some man and his wife.

Q. Yes.—A. And we were talking about this McDonald the other day, one of the boys in the office there, he give us the whole story, why he left town, never heard of him. This McDonald used to be president of the union. They will always talk, committeemen. I don't remember the conversation, but I know it was in reference to McDonald.

Q. When did he leave?—A. I don't know.

Q. But you never heard any connection between the salvage contract to the Carl Renda Company and the beatings?—A. No, sir. We never had—we didn't handle no contracts. I don't know their prices. I know the man comes in there and takes the stuff. I know Carl Renda is billed for everything and these companies in there before are doing the hauling, outside the paper.

Q. And that's loaded and shipped in carload lots?—A. Yes. Mr. Renda comes in now. He bought a lot of trucks and he takes stuff to his own yard. Woodmere took them over. Woodmere hauls scrap. The way I heard, Renda had got a yard, and he was going into the scrap business himself.

Q. You never heard of Renda before the time he took over this business?—A. Never.

Q. Did you ever discuss this woman and her husband being beaten up with this man that rode with you?—A. Never. I don't know him. I think there's only one Jewish fellow ever rode with me to work, and that was away before Carl Renda ever got in there.

Q. But you don't know a fellow by the name of Herman Patler?—A. The first name sounds familiar. I think his first name was Herman. He just got out of the army, and I think I used to pick him up on Hamilton and Euclid, if that's the fellow you are talking about. I think that's the fellow. He's back at Briggs now. I think that's the fellow you are talking about, because that's the only Jewish fellow that ever rode with me.

Q. Well, just about the time or shortly before this woman and her husband were beaten up?—A. No; I never spoke—I didn't even know anything about it. I thought they were Jewish—I thought they lived on, what's the street up on the west side? They lived on Garland, they lived on Gladwin, and I thought it was Gladstone. That's what made me think they were Jewish couple, but I don't think they were Jewish. That's the only reference I had to that beating there, and I only read about them.

Q. What do you think is the reason this Herman would come in and tell us you made a statement "it looks like Briggs is not going to have any more labor trouble." I said, "how come, did the union and the company get together?" Do you know why he would tell us that?—A. I don't know. I would like to see them.

Q. Now, listen, if you said it, I would like to know. If you did say it, I would like to know why you said it, not that I am after you, but I am very much interested if that is true. The fact is, we spent a lot of time and a lot of money investigating this thing, and I am very much interested, and if, for fear, you are not telling, or you know something about it, I assure you, only the members in this room will know about it.—A. To my honest knowledge, I never mentioned anything about labor trouble. The only thing I possibly would have said, they must be powerful when they can drive a company like Woodmere, that's always had good dealings, and Continental, that's been doing business with Briggs, for twenty odd years, and a new company that then didn't even have a yard or office—they must be pretty powerful up in the front office to get in. That's all I said.

Q. Did you ever make any inquiry what that power was they had?—A. No.

Q. Did you ever hear?—A. No, sir.

Q. But you do know the fact that Renda was able to get in, it would take a lot of power?—A. Yes, that's my own opinion now.

Q. That's right.—A. Every man to his opinion. That's an opinion of mine. Being around there so many years, I know, month to month, it was Levine, it was Continental, it was Silverstine, and it was Woodmere. Then, all of a sudden, another fellow gets in. The other fellow gets in—I can tell you that story if you want to hear it. This Reliable, he just got in there—I got this from George Herbert, that this fellow was no good. He had had trouble at Ford's. The fellow that runs Reliable had had some trouble at Ford's. They were stealing stuff, and this fellow used to buy it. Mr. Herbert said, "You watch this fellow." I do know the way they got in is through this fellow—he's dead now. I can't just recall his name that used to make the contracts.

Q. Cleary?—A. Cleary. He okeyed the contract. Well, Mr. Cleary has a daughter. This daughter knew this clerk that works for Reliable, he was a very, very good friend of Mr. Cleary's daughter, and she was working for Reliable, and she got part of the contract away from Continental for a few months, and then Carl Renda came in.

Q. Where is Reliable located, in the Book Building?—A. In the Book Building, that's it. They used to send a truck and haul it out of there, and they used to take it to some other yard. I couldn't say.

The COURT. That's Cleary's daughter?

The WITNESS. Yes. She knew this clerk. She was supposed—the word is, she had a piece in the joint, you know what I mean, for getting the contract. She was supposed to get all the metal from all the plants, but they got her in easy and gave her a little bit of Mack. That's the way I got it.

By Mr. GARBER:

Q. Is her name O'Keefe, this friend of Mr. Cleary's? A. I don't know. That's the way I got the story.

The COURT. Where did you get the story?

The WITNESS. Who it was telling me—either George Herbert or Continental, Max Temchin, that's how it was. I really couldn't tell you.

By Mr. GARBER:

Q. Well, you never then have heard any connection between the Italian set-up, Renda Company—between the scrap and labor troubles?—A. No, no. No, I don't know. There's nothing I could say that could have any bearing on it. What I will say, he must be powerful, that's all I can say, to throw these guys out of a company like that, that have been doing business satisfactorily, in a good way, never had any trouble, and have been coming and going for years and years.

The COURT. And still are?

The WITNESS. And still are.

The COURT. Are still going?

The WITNESS. Yes, they still haul for Carl Renda, but the bills are sent to Carl Renda. Renda doesn't do anything. Everything goes to Woodmere. He opened his own yard, and he was going to haul the scrap out of there: he bought six or seven trucks. This was on Monday—Friday, I was told, "Don't give anything more to Woodmere, Carl Renda is going to haul his own stuff."

By Mr. GARBER:

Q. Who told you that?—A. Mr. Gallo, my boss, that Carl Renda got his own trucks, was going in business for himself. I said, "What does he want to go in business for himself for? The man don't know a thing about steel." He said, "He bought a bunch of trucks." When I came in Monday, here's Woodmere driv-



ers on Carl Renda's trucks, and they do haul stuff out in Renda's trucks and the stuff goes to Woodmere yards.

The COURT. Do you know Woodmere has a lease on those trucks?

The WITNESS. I couldn't say.

The COURT. You don't know?

The WITNESS. No; I couldn't say.

The COURT. It's the same old thing. If Renda does own the trucks, the trucks are operated by Woodmere drivers?

The WITNESS. Yes.

The COURT. And the material is put up by Woodmere, hauled into their yard and all Renda does—

The WITNESS. Is get a statement every month.

The COURT. And pay over to Briggs?

The WITNESS. To my knowledge, they have to leave a deposit—anybody goes in and buys anything, he has to leave a substantial deposit to cover most of this stuff, because I know the wood man that hauls wood out of there, he leaves \$50 in advance. When he uses up about \$45, they send him a notice they want some more money. I believe they do it with all the dealers; a check is sent in in advance. When the check is low, they make them send in another check. I don't know if that's the way it works, but I think it is.

By Mr. GARBER:

Q. Do you know whether Renda ever left any money on deposit for scrap?—A. I don't know of anybody, but I do know the wood man has. He's the only one I can say of my own knowledge, because I have taken some deposits from him.

Q. He hauls out scrap wood?—A. Yes; that's the main thing.

The COURT. Where did you go to school?

The WITNESS. New York City.

The COURT. How far through school did you go?

The WITNESS. The seventh grade.

The COURT. You are married?

The WITNESS. Yes, sir.

The COURT. Have a family?

The WITNESS. Yes, sir.

The COURT. How old are you?

The WITNESS. 47, I will be 48 in July.

The COURT. 48 in July?

The WITNESS. July 11, 1899, I was born.

The COURT. Do you want anything further?

Mr. GARBER. No; I think that's all.

(Witness excused.)

3:20 p. m.

PASQUAL GALLO, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name?—A. Pasqual Gallo.

Q. Where do you live?—A. 6038 Hurlbut.

Q. How old are you?—A. 36 going on 37.

Q. Where were you born?—A. Pennsylvania.

The COURT. What part?

The WITNESS. Lutesberg.

The COURT. What part is that?

The WITNESS. Forty miles the other side of Pittsburgh.

The COURT. Going east?

The WITNESS. Going east.

By Mr. GARBER:

Q. Off in there, around Altoona?—A. Right around there.

Q. How long have you been in Detroit?—A. Since 1930.

Q. Are you married?—A. Yes, sir.

Q. A family?—A. Yes, sir.

Q. How far through school did you go?—A. As far as the seventh grade.

Q. The seventh grade. Where are you employed?—A. Briggs Manufacturing.

Q. In what capacity?—A. Assistant superintendent.

Q. Of what?—A. General salvage.

Q. How long have you been so employed?—A. Oh, I have got my card here.

Q. Well, to the best of your knowledge—six years, five years?—A. Since 1933, February.

The COURT. How long have you worked for Briggs?

The WITNESS. February 1933, that's when I started to work. •

By Mr. GARBER:

Q. Is that the job you started at?—A. No; I started in the engineering department.

Q. When were you transferred over to salvage?—A. I would say about 2 years later.

Q. 1935, 1936?—A. Yes.

Q. And you have been in that job ever since?—A. Yes, sir.

Q. Just what is your work there?—A. Billing out scrap and—

Q. Billing it out?—A. Billing it out and seeing it's baled there, and all that.

Q. And supervising the loading and seeing that you get proper weights, and so forth?—A. Right, sir.

Q. Did you know Mr. George Herbert?—A. Yes, I did, sir.

Q. And did you work under him for a while?—A. Yes, sir.

Q. Did you ever know of anything that was bad about him; that is, that he was dishonest in any way?—A. No, sir.

Q. You would believe him under oath, that he would tell the truth when he was sworn?—A. Herbert?

Q. Yes; George Herbert.—A. As much as I know him, I would.

Q. Did you know of any trouble being had by Briggs, over short weights or mixing of their scrap, anything like that, that wasn't satisfactory along about 1945?—A. Mixing of their scrap?

Q. Well, oh, short weight or their scrap—in other words, were the people they were doing business with in the early part of 1945, satisfactory, so far as you know?—A. Well, as far as I know, as far as I have ever billed out, I never had any complaint come back to me, sir.

Q. You never had any trouble or complaints or were dissatisfied—you were satisfied where you billed the scrap you were getting full value?—A. Yes, sir.

Q. Were there any rumors you heard early in 1945 that you were being cheated in any way, or it was not being handled properly by purchasers of your salvage or your scrap?—A. No; I didn't, sir.

Q. As far as you knew, everything was satisfactory?—A. Yes, sir.

Q. And in the beginning of 1945, did you hold the same job you have now?—A. Yes; at Conners, sir.

Q. What?—A. At the Conners plant.

Q. You were at the Conners plant then.—A. Yes, sir.

Q. Where are you now?—A. At the Mack Avenue.

Q. But you had the same type of a job?—A. Yes, sir.

Q. You were assistant superintendent of the salvage department in the Conners plant, and now you're at Mack?—A. Mack Avenue.

Q. Well, do you know the method that was used of obtaining bids up to 1945 as to who purchased your salvage?—A. No; I don't, sir. That's one thing we had never nothing to do with. We always took orders from our higher ups.

Q. That would be Mr. Herbert?—A. Mr. Herbert.

Q. Was there any change in 1945 as to a new man coming into the plant picking up the salvage?—A. Yes; in June or August, one of those months, at the Conners plant, there was a Renda—Renda Company came in.

Q. Had you ever heard of him before?—A. No, sir.

Q. Do you know why that change was made?—A. No; I don't, sir.

Q. Did you ever hear any rumors as to why that change was made?—A. No; I didn't, sir.

Q. Did you ever hear any rumors there was any connection between the Renda Company coming in and these beatings that took place in the Briggs plant?—A. No; I didn't, sir.

Q. You don't know why there was a change—A. Beating at what, sir?

Q. Well, people getting beaten up. Did you ever hear of the Dollinger woman and her husband being beaten up?—A. What I read of in the paper.

The COURT. Well, did you read in the papers, or know from any other source there were five or six severe beating of people that worked in the Briggs plant, or were connected with the workers of the Briggs plant during the early part and summer of 1945?

The WITNESS. No; just what I read in the paper.

The COURT. You did read that?

The WITNESS. Well, I picked up a paper every now and then. I very seldom pick up a paper, to tell you the honest truth.

The COURT. Was there any connection between those beatings and the sale of the salvage, so far as you know?

The WITNESS. I don't know, sir.

The COURT. No connection?

The WITNESS. I don't know, sir.

By Mr. GARBER:

Q. Have you ever discussed this with any of your superiors at the Briggs plant?—A. With regard to what, sir?

Q. Well, have you been called in by Mr. Cochrane, for example, and anything discussed with reference to the sale of scrap to the Renda Company?—A. No; I haven't, sir.

The COURT. Were you there when George Herbert was head of the scrap department?

The WITNESS. Yes, sir.

The COURT. Were you under him?

The WITNESS. Under Mr. George Herbert.

The COURT. He was your immediate superior?

The WITNESS. That's right, sir.

The COURT. Did you ever hear of the way he ran the salvage department being questioned by any of the higher officials there?

The WITNESS. No, sir.

The COURT. And when George Herbert went, you were then in the Mack Avenue plant?

The WITNESS. Mack Avenue.

The COURT. And where was Herbert's office, in the Mack plant?

The WITNESS. Yes; but it's across Warren Avenue. It's not in the plant where we are at. It's across the street.

The COURT. But you still held the job before and after George Herbert left the place?

The WITNESS. Well, before Herbert left, see, he got me transferred over to Mack Avenue, and I was put on that job at Mack Avenue.

The COURT. And then you were there when he left?

The WITNESS. Yes, sir.

The COURT. Do you know why he left?

The WITNESS. No; I don't sir.

The COURT. Do you know when he left? Well, it was the 7th of January of this year.

The WITNESS. I know it was cold.

The COURT. The 7th of this last January, nearly a year ago?

The WITNESS. It was after New Year some time.

The COURT. You never heard why he went?

The WITNESS. No; I didn't, sir.

By Mr. GARBER:

Q. And after he did leave, did Mr. Cochrane, his successor, ever call you in and talk to you about the salvage or anything?—A. No, sir.

Q. No one has ever talked to you about the salvage?—A. No, sir.

Q. And there's been no changes made in the billings of this stock since when? When did you change it? It's all billed out at the same price right along?—A. I don't know the prices, sir.

Q. How do you bill it out?—A. Just bill it out according to classification, whatever is being billed out.

The COURT. So many pounds?

The WITNESS. So many pounds of this, whatever it is.

By Mr. GARBER:

Q. How many tons of scrap do you bill out over there a week?—A. It would be hard for me to say.

Q. Well, your best guess, your best judgment?—A. Oh, in general—

Q. Under ferrous, nonferrous and paper, and so forth?—A. Gee, I couldn't tell you that. I would be making a guess.

Q. How many truckloads a day go out of there?—A. Well, let's see. I'd say there's an average of four a day, five.

Q. Four or five truckloads a day. About how many tons would there be to a truckload?—A. Well, a truckload—we get a truckload of loose sheet clips; they average around 18,000 pounds.

Q. That would be 9 tons?—A. 9 tons per load.

Q. You don't know how many loads of those go out a day?—A. That's what I mean—four or five loads of those go out a day.

Q. That would be 8 or 9 tons for each truck?—A. That would be about 8 tons for each truck.

Q. And there would be four or five of those a day?—A. That's right, sir.

Q. How is that loaded, by a crane?—A. By a crane.

Q. And you haven't any idea how much, in dollars and cents, you would send out there a day?—Q. No; I don't.

Q. But it hauled out largely by the Woodmere and Continental; is that right?—A. Woodmere, Continental. Yes; that's mostly our biggest—Woodmere and Continental.

Q. And you have no knowledge of why the Renda Company has that contract?—A. No; I don't sir.

Q. Have you ever heard any rumors as to why they had it?—A. No.

The COURT. Now, you know the way that Woodmere and Continental removed that waste before Renda came in; don't you?

The WITNESS. What do you mean, sir?

The COURT. Well, you know the efficiency and the manner in which Woodmere and Continental removed the waste before the Renda Company came in; don't you? In other words, they did a good job; didn't they?

The WITNESS. Oh, yes.

The COURT. They bought the goods and scrap, loaded it on their trucks, removed it?

The WITNESS. Well, I have had nothing against them.

The COURT. Nobody had anything against them?

The WITNESS. Not to remove our material from our department.

The COURT. Now, after Renda got the contract, after they settled down, the Continental and Woodmere still continued to remove the scrap; didn't they?

The WITNESS. That's right.

The COURT. Well, they didn't remove it any more efficiently—they don't remove it any more efficiently now than they did a year or two ago; do they? It's the same thing.

The WITNESS. The same thing. I say, the same thing.

The COURT. The only difference now between the Continental and Woodmere in removing the scrap is that the Renda Company has got the contract with Briggs; is that right, or do you know that?

The WITNESS. I think that's the way it is.

By Mr. GARBER:

Q. Who do you bill it to?—A. I bill it to Carl Renda.

Q. But Woodmere and Continental take it out of there?—A. Well, it's Carl Renda's trucks that takes it out.

Q. Well, as far as you can see, there's no difference in the service that's given by the Woodmere and Continental today than there had been previous to the time Carl Renda came into the picture?—A. No; there's no difference.

Q. The same thing?—A. The same thing, to me.

Q. Did you ever hear any rumors that the Italians were coming in and taking over, and that they were going to beat up anybody that were trouble makers in the union; did you ever hear anything about that?—A. No, sir.

Q. Do you belong to the union?—A. No, sir.

Q. Are you Jewish?—A. No, sir; I am Italian, sir.

Q. Well, do you know Carl Renda?

The COURT. Where were you born?

The WITNESS. Pennsylvania—Italian descent.

By Mr. GARBER:

Q. Do you know this Carl Renda?—A. No; I just know him since he got into the plant.

Q. Does he come in and talk to you?—A. He comes in the office and talks.

Q. Do you know the Perrones, Sam Perrone?—A. No.

Q. Do you know his brother?—A. A little one that comes in there to pick up some scrap.

Q. That's a stepbrother to Carl?—A. He drives a truck—Buster, or whatever his name is.

Q. Buster Barone?—A. A young kid.

Q. Do you know Sam Perrone, the Perrones of the Detroit Stove Works?—A. No; I don't know them, sir.

Q. Did you ever hear of James Renda or Bill Renda?—A. No, sir.

Q. Are you well acquainted in Italian circles?—A. Well, I lived around Grandy.

The COURT. There's quite a few of them there?

The WITNESS. I lived around Grandy and St. Joseph there.

By Mr. GARBER:

Q. Did you ever know Renda before he got this contract?—A. I never heard of him.

Q. Haven't you ever heard of Sam Perrone?—A. No, sir.

Q. Did you ever hear of the Perrones being strikebreakers?—A. No, sir.

Q. Do you know anybody that works at Detroit Michigan Stove Works?—

A. A young kid that hangs around our corner; that's about all I know.

Q. What's his name?—A. I don't know his last name. His name is Sammy.

Q. Didn't you ever hear these Italian boys were brought in there to take care of labor agitators?—A. No, sir.

Q. Did you ever hear—now, this is not a reflection on your nationality at all—did you ever hear of Carl Renda being held out as king of the wops, by anybody? Did you ever hear of a statement like that?—A. No, sir.

Q. Do you know how he does rate with the Italian people?—A. No; I do not know.

The COURT. Have you ever been in trouble?

The WITNESS. Never.

The COURT. You have never been in trouble with the law?

The WITNESS. Never.

The COURT. You have never been convicted?

The WITNESS. One of my kid brothers that married Lieutenant Larko's daughter got in trouble—his daughter or niece.

The COURT. Domestic trouble, divorced?

The WITNESS. Divorced.

The COURT. But you yourself have always been a law-abiding citizen?

The WITNESS. That's right.

By Mr. GARBER:

Q. You have never been arrested and convicted?—A. Never, sir.

Q. Your brother was not arrested and convicted?—A. Not convicted, but he was thrown in the hoosegow for a couple of days.

Q. What for?—A. I suppose quarrels with his wife.

Q. That was Inspector Larko's daughter?—A. Niece or something.

The COURT. What part of Italy do your people come from?

The WITNESS. I couldn't tell you that. I don't know.

The COURT. Were your father and mother born there?

The WITNESS. My mother came here, I understand, I overheard them say, when she was 14 months old.

The COURT. To this country?

The WITNESS. Yes.

The COURT. Your father was probably born across there too?

The WITNESS. That's right.

The COURT. You don't know if they were born on the mainland or in Sicily—Corsica?

The WITNESS. No; I don't.

The COURT. Rather, I should say, Sardinia.

By Mr. GARBER:

Q. Did you ever see Carl Renda come out and unload cigarettes and give them out to the stewards and so forth during the cigarette shortage?—A. No, sir.

Q. Did he ever give you cigarettes?—A. He offered me a package of cigarettes. I have taken them.

Q. Did he make a habit of passing cigarettes out there when they were hard to get?—A. No, sir.

The COURT. Did anybody ask you to keep your eyes open and report any labor agitators?

The WITNESS. No, sir.

By Mr. GARBER :

Q. Did you ever report anybody?—A. Did I?

Q. As a labor agitator?—A. No, sir.

The COURT. Have you ever been to Carl Renda's home?

The WITNESS. No, sir.

The COURT. Has he ever been to yours?

The WITNESS. Yes, sir; he has.

The COURT. On what occasion?

The WITNESS. Some deer meat and stuff—he was out deer hunting and brought me some deer meat.

The COURT. Were you ever up to his hunting lodge?

The WITNESS. No, sir.

The COURT. What did he do, have dinner with you?

The WITNESS. No, sir.

The COURT. Just brought the meat to you?

The WITNESS. Just brought it.

By Mr. GARBER :

Q. Did he ever give you any other presents?—A. Cigarettes and he's gave me a heater for my car.

Q. A new one?—A. A new one.

Q. What kind?—A. Southwind.

Q. Is that one of those gas heaters?—A. A gas heater.

The COURT. How did he happen to give you that?

The WITNESS. Well, I asked him to get one for me, and I told him I would pay him for it, and when he did get the heater for me, he didn't accept the dough—didn't want the money. He said, "It's a gift from me to you."

By Mr. GARBER :

Q. Did he ever ask you to do anything for that?—A. No, sir.

Q. Do you know any other man out there he gave gifts to?—A. No; I don't.

Q. Do you know how he got his contract?—A. No, sir.

Q. Did you ever ask him?—A. No, sir.

Q. Did he ever tell you who he knew over at Briggs?—A. No, sir.

Q. Did he ever tell you he had a lot of influence, could get you promoted, anything of that nature?—A. No, sir.

Q. Well, did you hear he had a lot of influence over at Briggs?—A. I have never heard it, but we were told to keep running the jobs the same as we always did.

Q. Who told you that?—A. Herbert.

Q. Do you know why Herbert was fired?—A. No; I don't, sir.

Q. Do you notice any difference in the operation of the Salvage Department with Renda in the picture than it was before he came in the picture in any way?—A. No, sir.

Q. How much time does Renda spend around there?—A. He drops around there for a few minutes, looks around and goes.

Q. Does he talk to you?—A. If I am around. If I am not around, he leaves anyway.

Q. How many minutes or hours would you say he spent in the plant a day?—A. Oh, he's there sometimes five, then, fifteen minutes, but it's not every day.

The COURT. In other words, the collection and the loading and the hauling away of the scrap could go right along without Renda being there at all. He doesn't have to be there?

The WITNESS. Sure; the scrap has got to move.

The COURT. The scrap has got to move, and Woodmer and Continental move it; get it out of the way?

The WITNESS. That's right.

The COURT. Renda doesn't pile it up or have anything to do with it?

The WITNESS. No; I am the man sees it gets out.

The COURT. Renda doesn't work there at all?

The WITNESS. All I want is equipment to move it.

The COURT. As long as the equipment is there, you see it gets out?

The WITNESS. That's right.

The COURT. Renda does no work, just looks around?

The WITNESS. That's right.

The COURT. He's not giving you any orders, is he?

The WITNESS. No, sir.

By Mr. GARBER:

Q. Do you have the loading of the paper?—A. Yes; I have, sir.

Q. How much does it cost you a ton to load that paper?—A. A. Gee, I couldn't tell you, sir. I have four men on there to load a car, and it runs anywhere—it's an average, I would say, 35,000 pounds per car. It takes anywhere from four to six hours to load it.

Q. Four men?—A. Yes.

The COURT. How much—how many pounds?

The WITNESS—I would say the cars average 35,000 pounds.

The COURT. How much do those men get a day?

The WITNESS. Well, the men that on the car, they are rated \$1.10½.

The COURT. An hour?

The WITNESS. An hour.

By Mr. GARBER:

Q. Four men—that would be \$4.50 an hour?—A. That's right.

Q. And it takes how many hours?—A. I would say anywhere from four to six hours.

The COURT. Well, make it five hours.

By Mr. GARBER:

Q. It costs more than \$1 a ton to load it. It would be 17 tons—they get \$17 for loading it. You have got four men—it would be \$4.40 an hour, it takes five hours. It would cost \$22. They would lose \$5 on that deal, wouldn't they?

The COURT. They certainly can't make on it.

Mr. GARBER. They lose \$5 on every car they load at \$1 a ton?

The COURT. How many carloads of paper a day go out?

The WITNESS. Oh, they don't go out—around three or four a week, if it runs heavy.

By Mr. GARBER:

Q. Is there any other men has anything to do with that loading of trucks at all to the car, or do those four men do all the work?—A. I have a Hilo driver.

Q. A Hilo driver?—A. Yes. Four men tip it on the hilo and we have to use this hilo for four and six hours.

The COURT. And that brings it over the car?

The WITNESS. You have got to bring it into the car.

The COURT. Is it all bundled?

The WITNESS. All tied up and everything.

The COURT. Where do they pick up the paper?

The WITNESS. Unloading our Briggs trailer and what we bail there.

The COURT. This waste paper is scattered all over the plant, isn't it?

The WITNESS. That's right.

The COURT. It's got to be collected at one place?

The WITNESS. It's got to be collected at the salvage department where we bale it.

The COURT. The paper has to be picked up by other men and brought over to the salvage?

The WITNESS. It's always been that way.

The COURT. I am not questioning it, but I say you might find half a carload over in one plant.—A. That's right.

The COURT. Or a quarter of a carload somewhere else, but ultimately all that waste has to be brought over to the salvage department.

The WITNESS. From all the other plants—that's our main branch for shipping.

By Mr. GARBER:

Q. Did you always do that?—A. No, never.

Q. You never did it till Renda came in?—A. That's right.

The COURT. Then when you get it at the main plant you have to bale it?

The WITNESS. It's already baled when we get it there.

The COURT. When it's packed up, we will say, for example, you are in the Mack Avenue plant?

The WITNESS. Right.

The COURT. There's considerable paper in the Conners Avenue plant?

The WITNESS. Right.

The COURT. It's packed up?

The WITNESS. Whenever we ship it from Conners, they do their shipping from Conners, and ship it to me.

The COURT. Connors ships it to you?

The WITNESS. That's in bales.

The COURT. The paper is gathered up in the Connors plant, and baled at the Connors plant.

The WITNESS. That's right, sir.

The COURT. And dragged over in a truck to the Mack Avenue plant?

The WITNESS. Right, sir.

The COURT. And any other plants, the same way?

The WITNESS. Right, sir.

The COURT. You have different plants?

The WITNESS. Outer Drive, 8 miles.

The COURT. And all the waste paper is identically baled in those plants?

The WITNESS. Right, sir.

The COURT. And brought over to your plant, Mack Avenue?

The WITNESS. Yes, sir.

The COURT. And there put on—

The WITNESS. We have like a small storage place, we accumulate enough to get about half a carload there.

The COURT. You use some machinery to put it on?

The WITNESS. A hilo.

The COURT. A man operates that?

The WITNESS. Right, sir.

The COURT. One man?

The WITNESS. Right, sir.

The COURT. And four men to load the car?

The WITNESS. Four to load it.

The COURT. And while four men are loading it, one man is on the hilo—five men.

The WITNESS. Right, sir.

The COURT. How much does the hilo operator get?

The WITNESS. I couldn't say.

The COURT. How much do you think he gets?

The WITNESS. I would say around \$1.25, something like that.

The COURT. And besides that, then, if you were actually getting down to the costs, it costs something to operate those trucks to bring it from Connors Avenue and Outer Drive out to Mack Avenue plant, gasoline, drivers—

The WITNESS. Sure.

The COURT. Tires, maintenance, and it costs something to operate the hilo. How much is invested in that hilo?

The WITNESS. I would say about \$1.25 an hour.

Mr. GARBER. How much is one worth to buy?

The COURT. How much is the hilo worth? Is it a big piece of machinery? Some machines run as high as \$80,000 apiece. I don't know if a hilo would.

The WITNESS. I would say in the neighborhood of \$3,000.

By Mr. GARBER:

Q. Does Briggs own it?—A. They own it.

Q. They operate it?—A. Yes.

Q. Renda doesn't own it?—A. No, that's Briggs' property.

The COURT. You don't know how Renda pays for that waste whether he sells it himself or turns it over and gets brokerage on it?

The WITNESS. I don't know that, sir.

By Mr. GARBER:

Q. Where are they shipping the paper to now?—A. Monroe.

Q. Waste Paper Products?—A. Waste Paper Products.

Q. Do you know where else it has gone?

The COURT. It used to go to Ohio, didn't it?

The WITNESS. Some went to Ohio, too. I can't recall for sure.

The COURT. How old did you say you were?

The WITNESS. 36, sir, going on 37. We shipped to Consolidated.

By Mr. GARBER:

Q. Consolidated Paper in Monroe?—A. That's in Monroe, too. I am not too sure—I think it is Monroe.

The COURT. Is there anything further you want from this gentleman?

Mr. GARBER. I don't think so. About how many carloads a week of paper do you ship?



The WITNESS. Between three and four, I would say.

Mr. GARBER. I think that's all.

(Witness excused.)

---

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, January 2, 1947.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:50 p. m.

AUGUST JOSEPH KRAFT, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name, please?—A. August Joseph Kraft.

Q. And at the present time you are an inmate of the prison of Southern Michigan?—A. Yes, sir.

Q. What is your number up there?—A. 62810.

Q. You are serving how long a sentence?—A. 8 to 10.

Q. What for?—A. Supposed forgery of a title, automobile title.

Q. You were convicted in Mount Clemens?—A. Yes, sir.

Q. When did you start to serve your sentence up there?—A. On the 9th day of May 1946.

Q. You have been serving your sentence since the 9th day of May this year?—A. Yes, sir.

Q. Previously to that, were you employed in the city of Pontiac?—A. Yes, sir, I was.

Q. By whom were you employed?—A. Mr. James Esmil, Pontiac, Michigan.

Q. What work were you doing there for Mr. Esmil?—A. Operated a parking lot, also dealt in used cars.

Q. The parking lot was located on what street?—A. Auburn Avenue, about half a block west of the main street in Pontiac.

Q. About half a block west on Auburn?—A. East that would be, east, I beg your pardon.

Q. How long were you so employed?—A. I was employed for him at his place there about the 7th or 8th of December until the 3d of January.

Q. What year were you employed there?—A. From December 7 or 8, 1943, until January 3, 1944.

Q. And you were employed there in what capacity?—A. As mechanic, and I also helped take care of the parking lot.

Q. And did you live on the premises?—A. Yes, sir; I did.

Q. Where did you live?—A. In a house trailer, right on the parking lot.

Q. Did you live in the house trailer alone?—A. Yes; I did.

Q. Now, did you ever meet a Mrs. Lydia Thompson on that parking lot?—A. I did.

Q. Do you recall approximately when, Mr. Kraft?—A. On the night of the 18th of December 1943.

Q. And how do you happen to recall that date, and what happened on that date?—A. I recall the date because of this particular instance. She had come into the parking lot between seven-thirty and eight p. m. that evening. She was accompanied by another woman.

Q. Do you know who that other woman was?—A. I don't know her by name.

Q. Have you ever seen her since?—A. No, I haven't seen her since.

Q. What type of woman was she?—A. I have seen her since, but not since Mrs. Thompson has been killed.

Q. What type of woman was she?—A. Rather a short woman, I would say about 5 feet three or four inches tall.

Q. Thin?—A. Weighed about 100 pounds, 90 to 100 pounds, wore dark shell-rimmed glasses. Her age, I would say, between 40 or 45, dark hair.

The COURT. How old was she?

The WITNESS. I would say between 40 and 45.

By Mr. GARBER:

Q. And when this car came on the lot, who was driving?—A. I am not positive, but I don't think Mrs. Thompson was driving. I think the other woman was driving, because I recall when I walked to the car to collect the parking fee, the woman on the left side of the car paid the money.

Q. What kind of car was it?—A. I would say a Buick, late '40 or '41.

Q. What color?—A. Dark color, either real dark blue or black.

Q. There were the only two passengers in it?—A. Yes, sir.

Q. And about what time of the day?—A. Well, when they first parked the car, it was between 7:30 and 8 P. M.

The COURT. Did he know Mr. Thompson before that?

The WITNESS. I had seen her two or three times before that, but didn't know her name.

By Mr. GARBER:

Q. The woman you subsequently learned was Lydia Thompson had parked there on other occasions?—A. Yes, sir.

Q. You had seen her there on other occasions?—A. Yes, I had.

Q. When did you learn this woman that parked there was Lydia Thompson?—A. Well, on this night of December 18th, she and this other woman parked their car, as I say, between 7:30 and 8 P. M. About 11 o'clock that same night, I was in my house trailer getting ready to retire for the night. I heard an argument out in the car—it sounded like a man and woman arguing. I first thought it a couple who had a little too much to drink and just a simple argument, but as the argument continued, grew louder, I looked out the window. I saw one man on the west side of the car trying to get a woman out of the car. I went out there then in a few minutes. I thought I could quiet them down, would tell them to drive off the parking lot. When I got out there, there were two men instead of one. There was a man on the other side of the car I couldn't see when I looked out the window of the trailer. When I got within 10 or 15 feet away from the car, the two men walked down the alley, got into a car, and drove away.

Q. Were you able to observe these men?—A. Yes, I was. I was within ten or fifteen feet from them. The parking lot was lit up well.

Q. The parking was lit up?—A. Yes, sir.

Q. Can you describe these men?—A. Yes, I can.

Q. All right.—A. One was quite a husky man, I would say weighed 215 to 230 pounds, had a ruddy complexion.

Q. Ruddy?—A. Yes.

Q. You mean red face.—A. Yes; and a well-built man. He was a straight, well-built man, didn't have a big stomach on him, just a big, husky man. The other one was nearly the same size, but had a more fair complexion, and that was the only time I had seen the other man, but I have seen this first one I described several times since then.

Q. Where have you seen him?—A. On one occasion I have seen him at the mission on Auburn Avenue. I was working nights and was just going out to go to work when he came in.

Q. You had seen the one man, the larger of the two, at the mission that is run on Auburn Avenue?—A. 40 Auburn Avenue.

Q. The other man you hadn't seen before.—A. I had seen before, not after. I seen this other man since.

Q. Did you have any conversation with this party in the car?—A. I did with Mrs. Thompson.

Q. Did you know she was Mrs. Thompson then?—A. I didn't know then until she had come to the trailer.

Q. How did she happen to come to your trailer?—A. Well, when I went to the car, I asked her what was the trouble, and she said these two men had wanted her to go along with them, and she didn't want to go with them. I said, "Do you know them?" She said, "Yes, I know them only too well. That's why I didn't want to go with them." She started to fix her hair up, put some powder on her face. They were trying to get her out of the car, cumped her up a bit. It

was cold that night. I invited her into the house trailer. I said, "It's warmer in there. There's a better mirror." She went into the house trailer. I stayed outside.

Q. When did she tell you her name?—A. When she came out of the house trailer she talked to me a few minutes. She wanted me to call her a cab. She wanted to know if it was all right to leave her car there that night. I went to call her a cab. The operator said they couldn't send a cab for 45 minutes or an hour. I didn't have a telephone, so it was necessary to go up the street and call from a restaurant. I told Mrs. Thompson I couldn't get her a cab for 45 minutes or an hour, but she was quite frightened that night, I offered to drive her home in one of the used car we had in the lot.

The COURT. Where was her home?

The WITNESS. I didn't know till she told me. I said, if she didn't live too far, I would drive her home in one of the used cars on the lot. She said she would appreciate it and would pay me for it. I drove her out Orchard Lake.

The COURT. How did she happen to give you her name?

The WITNESS. That's when she gave me her name. She said her name was Lydia Thompson and she lived out Orchard Lake.

The COURT. She gave you her name voluntarily?

The WITNESS. Yes, she did, when she said she was going to leave the car there, but if she hadn't given her name, I would have asked anyway, because in a case like that, where they want to leave a car all night, I want to know whose car it is.

By Mr. GARNER:

Q. How did you drive out to her home?—A. Well, as I say, it was about 11 o'clock at night, and I drove her out Orchard Lake Road, guessing at it, 3 or 3½ miles.

Q. On Orchard Lake Road?—A. Yes.

Q. All right. Then where did you go?—A. I got to a place there, and on the way out, she had taken a piece of paper out of her purse and wanted me to write my name down, and wanted to know if she could see me at the parking lot the next day.

Q. Where was her home?—A. It was out Orchard Lake Road. I couldn't take you out and show you now, because that night I took her out to a big house. She said, "This is all right."

Q. Did you go right up to her house?—A. She said it was all right to let her out at the driveway. I was going to drive into the driveway. She said, "No, you can let me out here."

Q. What kind of house was it?—A. I don't recall. It was nighttime. There was a driveway and a big house. I couldn't say if it was a brick house or frame house.

Q. How far away was the house?—A. I would say between 50 and 75 feet.

Q. Was the house lighted?—A. It seemed there was one light in one of the rooms in the house.

The COURT. Did you ever see the house after that?

The WITNESS. No, sir. That was the first time I had ever been out there and haven't been out since.

The COURT. First and last?

The WITNESS. First and last.

By Mr. GARNER:

Q. Were there any trees in front of the house?—A. I believe there were some trees there. I simply turned around and drove back to Pontiac when I let her out of the car.

The COURT. What did you charge her?

The WITNESS. I didn't charge her anything.

The COURT. She offered to pay?

The WITNESS. Yes.

The COURT. What inducement did you have for taking her out there?

The WITNESS. I felt sorry for the woman because she was very frightened that night and alone, and as I said, I couldn't get her a cab the way she wanted me to, and as I said, I felt sorry for her and drove her home.

The COURT. Her car remained in the lot?

The WITNESS. Yes.

The COURT. When did she pick it up?

The WITNESS. She came back the next day at 3 o'clock in the afternoon. I wasn't there. We had a garage about 3 blocks down Auburn Avenue, and Mr. Esmil told her I would be back about four or four-thirty, she could see me then.

By Mr. GARBER:

Q. How did Mrs. Thompson talk?—A. I always thought she was a Polish woman.

Q. Did she have an accent?—A. She talked quite fluently, but she had a little accent, sounded like a Polish woman would talk.

Q. How was she dressed that night, if you recall?—A. Well, she had a dark coat on that night. I don't know if it was just a plain cloth coat. It wasn't a fur coat.

The COURT. Now, you have been talking about that night, and designate that night as the 18th of December 1943.

The WITNESS. Yes, sir.

The COURT. How did you remember that?

The WITNESS. I am not positive it was the 18th, it was about the 18th. It might have been a day before.

The COURT. When was she murdered?

The WITNESS. Her body was found the 13th.

The COURT. Of what?

The WITNESS. October 1945.

The COURT. Almost a year or 10 months later she was murdered?

The WITNESS. Yes, sir.

The COURT. And how do you couple up that event about the 18th of December 1943?

The WITNESS. Well, I know that I started to work there on or about the 7th or 8th of December, and I only had been working there 2 or 3 weeks when this happened.

The COURT. What was there strange about the incident that indelibly impressed upon your memory that date?

The WITNESS. That night I didn't give it a thought.

The COURT. When did you give it a thought?

The WITNESS. Until she kept coming to see me after that. Like, the next day, I say, she came at 3 o'clock in the afternoon. I wasn't there. Mr. Esmil told her I would be there later.

By Mr. GARBER.

Q. Who told you that?—A. Mr. Esmil, the man who operated the parking lot.

Q. Did he know the lady?—A. I don't think he knew her by name.

The COURT. She never did pay you for that trip?

The WITNESS. No. She offered to pay me that night when I drove her home.

The COURT. And you—

The WITNESS. Refused to accept it.

The COURT. How much did she pay for the parking?

The WITNESS. Fifteen cents.

The COURT. Keeping the car there for the evening, all night and till the next afternoon?

The WITNESS. No, the next day she paid Mr. Esmil for keeping the car overnight.

The COURT. How much did she pay for that?

The WITNESS. I don't know.

The COURT. Was there snow on the ground?

The WITNESS. Yes, there was.

The COURT. Are you sure?

The WITNESS. Yes, pretty sure.

The COURT. Don't tell us you are sure, if you don't know, because we can check that up.

The WITNESS. I don't say it snowed that day, but there was snow on the ground.

The COURT. What kind of looking woman was Mrs. Thompson?

The WITNESS. In my opinion, she weighed about 150 pounds, quite heavy, about 5 feet 6 or 7 inches tall, and she wasn't a real light blonde, she was more of a sandy haired blonde.

The COURT. A sandy haired blonde?

The WITNESS. Yes.

The COURT. What color of eyes?

The WITNESS. I believe they were blue—blue-grey eyes, fair complexion.

The COURT. What kind of build did she have?

The WITNESS. Well, as I say, she was quite a heavy-set woman, and I wouldn't say it was a perfect form that she had, but she was a very neat woman.

The COURT. Well, I am not holding you down to that. How old a woman was she?

The WITNESS. Well, she was—I believe at that time, about 46 or 47 years old, I would say.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Did you ever see Mrs. Thompson drive a car into the lot on these other occasions when she came in before that day?—A. No, sir, I can't say I ever actually saw her drive the automobile. Every time I saw her, this other woman was with her, when they had the automobile.

Q. And these other occasions when she came in, before on or about the 18th of December 1943, the other woman was driving?—A. That's right.

Q. You never saw her driving?—A. I never saw Mrs. Thompson actually driving.

Q. Actually driving the car. The next day she came back along about 4 o'clock?—A. About 3 o'clock.

Q. And talked to the man, your employer?—A. Yes, sir.

Q. And he told you she had been back there?—A. Yes, sir.

Q. Was she driving the car at that time?—A. No, the other woman with her was driving. They parked the car on Auburn Avenue. She came into the parking lot to talk to me.

Q. Tell the Court, to the best of your recollection, what that conversation was she had.—A. Well, she talked to me about other men, asked me if I knew Mr. Kelly.

Q. Kelly?—A. That's correct.

The COURT. This is the next afternoon?

The WITNESS. The next afternoon when she came for her automobile.

The COURT. Wait a minute. You weren't there when she got the automobile, were you?

The WITNESS. Well, she came back about five o'clock. When she first came, she came about three o'clock, and Mr. Esnil said I would be there about four or four-thirty.

The COURT. Excuse me. My mind was drifting then.

The WITNESS. She asked me if I knew this Mr. Kelly. I said I knew him slightly, because he lived across the street at the mission, and occasionally would come into the Auburn diner—that was right across from the parking lot—where I used to eat. She also asked me if I knew Mr. Peters that operated that mission across the street. I said I didn't know him personally. I know who she meant but didn't know him personally. Then two or three others she asked me by name, and I didn't know them at all. I became curious and asked her why she was asking me about these different men, and she said, "Well, I am having a little trouble, and I believe you can help me if you will." I asked her, "What is the trouble, and if they are bothering you, trying to take you out or something, why not go to the police?" She said, no, she didn't want to go to the police.

The COURT. Who was bothering her, the men she mentioned?

The WITNESS. She asked me if I was acquainted with them. I asked why she was asking me. If they were bothering her, why not go to the police about it. She said she didn't want to go to the police. That was about all the conversation we had that day—it was only a few minutes, but she asked me if she could see me. I said, "Yes, I live in the trailer. You could see me there up to the first of the year. The first of the year I expect to go to work for Hubert Motor Freight Company."

The COURT. In what capacity?

The WITNESS. As truck dispatcher. They are located right there in Pontiac, too, so I said, "I am going to work there, and I imagine I will move away from here just as soon as I can find a suitable family to live with or a room of some kind." At that time rooms were at a premium in Pontiac, you just couldn't get a room.

The COURT. By the way, as a graduate of a commercial college, and you about 43 years of age—

The WITNESS. Yes, sir.

The COURT. What were you doing just handling the parking of cars?

The WITNESS. I just took the job temporarily. I went there not to handle the parking of cars, but mechanical work.

The COURT. How did you get into mechanical work?

The WITNESS. I did against my dad's own will. I liked automobile work, took it up and stuck with it. As a matter of fact, I am also an electrician. I liked that work. I took that job temporarily, I knew it was only for three or four weeks till I got to work for Hubert Motor Freight. I told her—she asked me if she could see me at Hubert Motor Freight then. So I told her, "Well, the only time you can see me is when I go to lunch. I will be working at night and go to lunch between 9:30 and 10." I knew before I went there what time the night men go to lunch. I started to work there the 3rd of January—

Mr. GARBNER. 1944?

The WITNESS. Yes. About the 10th of January I received a telephone call. We had a little office on the dock. I was helping check some freight on the dock. I was called to the phone. That was Mrs. Thompson calling. She wanted to know if she could see me right away. I first asked her, "Couldn't you make it tomorrow. I am awfully busy." I didn't want her to come down there. I was only working there a little over a week. I didn't want anybody visiting me. She insisted, she only wanted to see me a few minutes. She said, "I am calling from downtown. I will be there in five minutes." So I said, "All right. I can't spend much time with you." So I arranged with the gate watchman at Hubert Motor Freight, I said, "There's a woman coming down to see me. I wish you would call me when she comes." She couldn't get in the gate. We were handling a lot of war materials, so I asked the watchman to call me when she came. He called me. This woman was with her that night. Mrs. Thompson got out of the car and came to the gate. I talked to her. The first thing she asked me—I moved across the street. When I started to work for Hubert Motor Freight, I moved across the street to the mission. It's kind of a boarding place. The first thing she asked me was, "Why in the world did you move in with those people?" I was surprised. I asked her what was wrong with that. She said, "Those are the people who are causing me all my trouble."

The COURT. How did she know that?

The WITNESS. She knew it somehow.

The COURT. Did you tell her?

The WITNESS. She probably went to the parking lot and my former employer told her I moved across the street. That's the only way I know she found out. I believe she went to the parking lot inquiring for me, and the parking lot attendant told her I moved across the street. Anyway, that's the first thing she said, "Why in the world did you move in with those people?" I said, "I don't see anything wrong with that. I don't intend to live there long, just till I find something better." She said, "Those are the people who are causing me all my trouble." She was going to tell me more. I told her, "If there is something you want to tell me or talk over with me, can't you meet me tomorrow? I will meet you any place convenient," so we agreed to meet the next day at three o'clock in the afternoon at the Victory Lunch, on the corner of South Boulevard and Saginaw Street, just as you come into Pontiac, half a block from the Hubert Motor Company. I used to go there to eat my lunch. So when I got off the bus, she was already there. She was sitting in the car, but the woman with her was in the restaurant. When I got off the bus, she blew the horn of the car, and she motioned for me to come over to the car. I did. She said her friend was with her but was in the restaurant. She said, "I would rather talk to you alone." That's when she revealed to me everything, through talking to me an hour, maybe a little more.

By Mr. GARBNER:

Q. Tell us the conversation you had.—A. The story she told me sounded ridiculous, and I admit I didn't half believe her. She told me how she had gone—now, this was about January 11, 1944, this conversation took place. She told me how she had gone to this mission on Auburn Avenue as far back as May 1942. She told me how she and her husband was breaking up through him associating with other women, and explained to me how she happened to go to see this Mr. Peters at the mission. She said a lady friend of hers had sent her there to see him, and he would advise her how to stop these women from running around with her husband. He had been some kind of secret service operator and—

The COURT. What did you say?

The WITNESS. A lady friend of Mrs. Thompson told her he had been a secret service operator of some kind, and he could advise her the best thing to do. So she went to see this Mr. Peters.

By Mr. GARBER:

Q. Who was, incidentally, your landlord?—A. At the time, he was, and she said she had told him her whole story, how these women were associating with her husband, she knew there was nothing between them, that they were not in love with him, but running around with him, just because he was a good sport, a good spender, that's all. They just wanted his money, so she said after she told Mr. Peters this whole story, he asked her to attend the services there a few times, and he would take the matter under consideration and advise her what to do. She said after she had attended the service there three or four times, that one night after the services, a woman told her that she should go upstairs, Mr. Peters wanted to see her.

Q. Who was that woman?—A. I know it wasn't Mr. Peter's daughter, because I asked her who the woman was, and she said, "I know it wasn't either one of Mr. Peters' daughters," so it must have been a member of the church or perhaps the housekeeper.

The COURT. Do they live up over the church?

The WITNESS. Yes, they do. So she went upstairs after the services, and when she got upstairs in Mr. Peters' room, he was sick in bed at the time, confined to his bed, and when she got up there, there was another man and woman in the room. Mr. Peters asked her to sit down, and then started telling this woman to talk to her. So this woman explained to her she was having difficulty with her husband, and how they had taken care of her husband, so no women bothered her husband any more, and also went on telling her other things, how they would approach these women, warn them to stay away from her husband, and so on. Mrs. Thompson told them she didn't want the women hurt, anything like that. This woman said, "No; we just warn them if they don't stay away, we will give them a good licking." These are the exact words Mrs. Thompson told me. The man didn't say anything; neither did Mr. Peters. When they got through talking, the man took her down in the basement and wanted to know the names and addresses of the women associating with her husband.

The COURT. Down in the basement?

The WITNESS. Yes; from upstairs he took her down in the basement.

The COURT. The church was on the main floor?

The WITNESS. Yes.

The COURT. What's down in the basement?

The WITNESS. A regular room, meeting room, dining room down there, a big kitchen. It's not like the ordinary basement. It's made for ten or twelve people who stay there, men who board there; they eat their meals there; there's a big kitchen. So this man took her in the basement, got the names and addresses of these women, and told her how much it would cost to have them taken care of. So she said, not that night, but she gave him \$800, and on another occasion had given him \$500. Now, she said the woman didn't go with her husband no more after that, and she admitted she had never seen the woman after that. I asked what became of the woman, did they hurt her, she said, "I don't know, but I have never seen the woman since." So that's the way she was telling me. Now, as I say, I only half believed her, because the story sounded so ridiculous. I didn't want to believe her. The people seemed very nice to me, seemed to be very nice people, treated me good while I was there. I got along with everybody. I didn't want to believe her. After she told me that story that day, I said, "I wish you wouldn't call me any more at Hubert Motor Freight. I just started to work there. I don't like to receive telephone calls. We were pretty busy." I tried that day—I asked her to go to the police. She didn't want to go to the police. Then she told me why. I said, "If these men are bothering you, why not go to the police and tell them all about it?" She said, "No, I can't do that because there's too many local police officials involved in this thing." She said, "It's a regular gang, an organization, and there's a lot of members of the Oakland County Police and Macomb County belong to that."

The COURT. You mean, a sort of cult?

The WITNESS. Yes. So it sounded so crazy to me, I just didn't want to believe her. I said, "Look, why don't you go to Detroit to the FBI, tell them everything, and I will guarantee they will keep everything strictly confidential, and if it is not in their jurisdiction to do something for you, they will take it up with the proper authorities." First she didn't want to do that, and then agreed to do that if I would go with her. Since I left prison I had a good talk with Warden Jackson—

The COURT. You had already served time?

The WITNESS. I served time and was discharged. I wasn't drinking—

The COURT. You served time for what?

The WITNESS. Forging a check—forging a check for \$12.

The COURT. You are not John, the penman?

The WITNESS. No, sir, I hope not, but anyway she wanted me to go along then to the Federal Bureau of Investigation. I told her, no, I didn't want to become involved in anything, and it was then I told her I had already served time. I said, "I don't want to go up there, they don't believe me, and I don't know anything except what you told me; I haven't seen anything around the mission except what you told me; I haven't seen people beating anybody up, they have been friendly to me. If there is any truth to what you say, you tell them the entire story and I am sure they will take care of it," but she wouldn't go there alone. So I stayed there at the mission—I told her then I didn't want her to come there to Hubert Motor Freight any more, not to call me up, "because there isn't anything I can do to help you, I am not a policeman, can't advise you anything more than to go to the police." So after that, I had seen her—that was about January 11th. I quit the Hubert Motor Freight around the first of March. I was working 12 and 14 hours a night, and due to an operation I had, the work was too heavy for me. It was handling all kind of freight, handling trucks, too heavy, I couldn't stand it, but I had saved my money, I had saved my money prior to that, hoping I could open up a furniture upholstering works. I learned about it at the prison, where I was good enough to do the official's work, and I wanted a little business of my own. So I started a little business—I quit Hubert Motor Freight and rented a store on Pike Street, but the day before opening the store, I met this Mrs. Thompson in Wight's Department Store. She had been in there doing some shopping, and I had been in there doing some shopping too, and I told her then I was opening a store in Pontiac. That conversation didn't amount to much. She wished me the best of luck, wanted to know the address, and said, "If I am down there I'll drop in to see you." So she did drop in one day, only for a few minutes. She just dropped in the store, looked around and again wished me good luck, and said, if she knew anybody who wanted some work done, she would refer them to me. That was the last time I had seen Mrs. Thompson then, because I left Pontiac.

The COURT. What time was this?

The WITNESS. This was, oh, about the fore part of April—around the 10th of April.

The COURT. 1944?

The WITNESS. Yes, sir. So I had these two men that tried to get her out of the car, after I rented that store there—I had invested quite a lot of money getting it in shape, and ready to open up for business—well, these two men tried to get her out of the car on the parking lot, one of them along with another, came to my store one day. He recognized me right away. They wanted to rent the basement of my store. I said I wasn't interested in renting the basement. I said I was using that room to store my cotton. I asked them what they wanted to rent the basement for. They said they wanted to put in a few printing presses. I said that wouldn't be any place to run a printing business, there were no windows, it was wet down there, the sewers were broken, but anyway he wanted to rent it, and even offered to pay rent for the whole building. I rented the building cheap enough, with the understanding I would fix it up and put it in condition. I rented the building for \$35 a month, and they offered to pay the \$35 a month if I would let them use the basement, but I wasn't interested in it, because I knew this one man was the man who was trying to get her out of the car that night, and I figured they wanted to cause trouble or run some kind of business that was not legitimate. They didn't get hard-boiled that day, they left the store, but about two weeks later the same two men came back. That time they came to warn me to stay away from Florence Carr. Florence Carr was Mr. Peters' daughter. I said, "I haven't been to the mission since I left there," and I said, "she stops in here once in a while. If she wanted to stop in, it's all right with me."

The COURT. How old is she?

The WITNESS. At that time 31 years old.

The COURT. Married or single?

The WITNESS. Her husband was in the Army. She was planning on getting a divorce. I said, "As long as she wants to stop in here, it's all right with me." I did talk to Florence about it, believing her father would cause us trouble if anyone saw her coming there. I said, "Certain people see you stop in here,



and it's just going to cause us trouble." Well, on the night of April 22nd—I left the mission on April 11th, I left the mission. Mr. Peters had talked to me about me being too friendly with his daughter, so we decided it was best for me to leave. He seemed angry about it, so I left the very next day, and I just fixed up temporarily a room in the back end of my store and ate my meals in the restaurant. The night of April 22nd I had been down to a movie alone, come home on a bus; my store was on the southwest corner of Pike and Pad-dock, and on the southeast was a bar, tavern, known as the Jockey Club. I got off at the corner and stopped in there to get a glass of beer. Just as I stopped in there, I saw a car drive up behind my door. I stopped in the doorway to see what happened. Four men got out of the car, kicked in the back door of my store, stayed in there a few minutes and got in the car and drove away. I walked into the Jockey Club. There was another man at the bar. I asked him if he would come over to the store with me, I think somebody broke into the back end of my store.

He came over with me. I went in through the front. I had a key to the front, turned on the lights. My back door was kicked in wide open. I closed up the store, boarded it up, I didn't stay there that night. I went down to the hotel. I didn't want to go in. I thought they might come back. I felt sure they were sent there for that purpose, to beat me up, the reason I didn't stay there that night, so I thought the whole matter over that night and decided it was best for me to leave Pontiac. I thought if they were going to chase me around like that, I thought it was best to get out of there, and the next day, without talking to Florence Carr or anyone, I thought it over that night, I did leave. I was coming to Detroit. I wanted to go to my sister's. I have a sister living in Detroit. She still lives there. I wanted to go there, I thought I will stay there a little while and decide what I am going to do. On the way, on the bus, I became seriously ill. I had stomach ulcers. I was so ill I had to leave the bus at Birmingham. I went into the drug store and asked where the nearest doctor was. Fortunately, there was a doctor right around the corner, Doctor Beck or Peck, I believe you will have a record of it. I went up to see him and he told me, "Your stomach is in an awful nervous condition, and you should be right in bed for the next three or four weeks anyway," so I continued from there to Detroit in a taxicab. I told him where I was going. He wasn't sure I could get that far, if I could make the trip he said. He said, "Your stomach is in awful bad shape," but anyway I hired a taxicab to take me to Detroit. It was then, I was ill in bed from that day, from the 23rd day to the 21st or 22nd of May.

After I got so I could get on my feet again, around the first part of June, I went up north, went up to Saginaw, and went to work for Montgomery Ward as a serviceman, repairing refrigerators, vacuum cleaners, and so on, but they told me when they hired me it would be necessary to have an automobile to take outside calls. I didn't have an automobile at the time, so I worked there about a month, and I knew most every day they would be telling me if I didn't get an automobile they would have to give me a different kind of a job or something, but I got talking to the head man of the Furniture Department, and I told him if he knew somebody who wanted an upholsterer I would like to go to work. He knew a man at Bay City, only 12 miles away, that needed a man. That night I went to Bay City and got the job. About three months I worked there steady never got in touch with this Florence Carr, by mail or telephone. I worked there long hours, saved my money until one Sunday afternoon I went to Pontiac with another man living at the same place I was. While we were in Pontiac, I stopped in the restaurant—

The COURT. What time would this be now?

The WITNESS. That was on a Sunday afternoon about July—somewhere around the second week in July, I would say.

The COURT. 1944?

The WITNESS. Yes, sir, 1944. We stopped in a restaurant in Pontiac. A man came in there that was living at the mission then. He asked me, "Have you seen Florence Carr lately?" I said, "No, I haven't. I haven't seen her since I left Pontiac." "Well, he says, 'do you know she has been looking for you ever since you left?'" I said, "No, I didn't." He said, "Well, you ought to see her. I never seen anybody change so much in my life."

The COURT. For better or worse?

The WITNESS. She seems to be worrying about what happened to me, why I left so suddenly without saying where I was going or anything. So I told

him, "I would rather you did not say you saw me or talked to me. I will get in touch with her some way." That was on Sunday. I knew she would be broadcasting Friday from Lapeer, Michigan. She was singing over a religious program. I didn't want to call at her parents' home. I called the studio that Friday. I called from Flint. I had to go to Flint to pick up some furniture, and I called the number from there. The conversation was short. I just told her, "I am all right. I will write you a letter and tell you why I left Pontiac." So I wrote her a letter explaining that I thought it was best to leave and I thought both of us would get in trouble if I stayed there and associated with her, her father didn't like it, people in the congregation, and I thought it was better if I left, if we didn't see each other, but I put a telephone number in there of the Republic Hotel. I didn't give her my address, but I put the telephone number and told her if there was anything else she wanted to talk to me about, she could call me a certain night at the hotel, I would be there. So I made it my business to be there. She did call that night. She wanted to see me at the earliest convenience, there was something she wanted to talk over with me. So I didn't want her to drive out all the way from Pontiac, so I made an appointment, the following Saturday, to meet her in Grand Blanc. I didn't want her to know where I was living or where I was working. So I met her that night at Grand Blanc. Well, she was very happy to see me, and I was very happy to see her, and that night she explained a lot of things to me, and I asked her what became of my things that were at the store, all my supplies, equipment, and so forth. She said they had taken them all over to the mission. I asked her who, and she told me who took it over, but she said, "I have all your clothes."

By Mr. GARBER:

Q. Who did take it over?—A. Some of the men from the mission.

The COURT. When they broke into your store that night, why did you not come back and dispose of your own stuff?

The WITNESS. Well, I just left the next day and figured I would come back a little later on.

The COURT. How much property did you have?

The WITNESS. Not too much. I just started out, a few supplies, order forms, a sewing machine, cotton burlap, webbing, and that that you use in upholstering—altogether I wouldn't say over three or four hundred dollars.

The COURT. That you left there?

The WITNESS. Yes.

The COURT. And wandered around the way you testified?

The WITNESS. I didn't wander around anywhere.

The COURT. Well, you left Pontiac, then you went to Saginaw—

The WITNESS. Wait a minute. I left Pontiac on the 23rd of April.

The COURT. Yes.

The WITNESS. And I went to Detroit to come to my sister's. That's when I became ill. Before I went to Bay City, I went back to Pontiac and went to the store and seen everything was taken out of there and the store was rented to someone else. I just figured someone got that stuff, that's all. I went up to Saginaw; I never did inquire.

The COURT. All right; now, you're back again with—what's the girl's name?

The WITNESS. Florence Carr.

The COURT. Kelly?

The WITNESS. Carr.

The COURT. She told you somebody from the mission took the goods?

The WITNESS. Yes.

The COURT. At the time you talked to her about that, what is the date?

The WITNESS. Sometime in July. I don't remember the exact date.

The COURT. All right; go ahead.

The WITNESS. It was in July, so she had told me then "I have got your clothes." So I made an appointment to meet her again the next Saturday at Grand Blanc. I still didn't tell her where I was living or where I was working. She met me again the next Saturday night. We just went for a little ride, went to Frankenmuth and had a chicken dinner. She went back to Pontiac. I went to Bay City. I still didn't want her to know where I was living, but I gave her a telephone number where she could call me during the week. She called me at that number from Pontiac.

The COURT. This story you are telling now is going to tie in with this Thompson murder?

The WITNESS. Yes, sir; it is to some extent. The next time I met her she brought all my clothes with her—she was there when they went to take the

things out of the store; she was there, too—she brought all my clothes out there, so it was then I told her where I was working and living in Bay City.

The COURT. You finally let the cat out of the bag?

The WITNESS. I finally let the cat out of the bag.

The COURT. You sure had the old girl dizzy up to that time.

The WITNESS. Well, I wanted to stay away from her, because I knew it was going to cause a lot of trouble. I don't deny I cared for her. I asked her to marry me and she agreed to, so after that she wanted to spend a weekend up in Bay City, so I didn't—first I didn't want to let her. I had a good job, figured her folks would find out and cause trouble again, but anyway I let her come up and spend a weekend. So it was only a few weeks after she decided to leave the mission entirely, she was tired of her father dominating her life, she gave many reasons for wanting a divorce from her husband, she couldn't have any children, they were married ten years—

By Mr. GARBER:

Q. Let's not go into all those horrible things. Anyway, you started to live with her and ended up in Romeo.—A. Yes. Anyway, when we were up in Bay City, the same two men that came into my store came up there.

Q. The same two men that were pushing Mrs. Thompson around?—A. Came up looking for Florence Carr and I.

The COURT. You had better put some questions to him, because he is drifting off the road.

By Mr. GARBER:

Q. After these men appeared, you decided it was best to get out of Bay City, so Mrs. Carr went over to Romeo, rented a house, and you became her boarder?—A. That's right.

Q. And you went into business over there?—A. I started to open a place.

Q. All right; then you became involved over some furniture that was in this house that Mrs. Carr rented?—A. Yes, sir; over a bed and mattress.

Q. That the owner of that house over there thought you shouldn't take out or let a customer have, so you were picked up by the town marshal?—A. First, before you go any further, there was no complaint by the owner of that house.

Q. All right, but you were picked up by the town marshal?—A. That's right.

Q. In the meantime, Florence Carr and yourself had decided you needed some money, so you were going to borrow some money on the car that belonged to her husband?—A. That's right; Mrs. Carr did that.

Q. And she did borrow some money from an outfit in Pontiac?—A. In Romeo, not Pontiac.

Q. Anyway, somebody investigated about the signature on the title and you were eventually taken to the police station?—A. No, sir; nobody investigated about the signature at that time. That was in November when she got the loan on the car. I done no signing of anything and no signature was investigated.

Q. Eventually you were picked up, and brought over to the police station by the state police, and charges were placed against you, and you were lodged in the Mount Clemens jail?—A. Well, now, the loan, Mrs. Carr—

Q. We are not going into that loan.

The COURT. We are not trying that case.

The WITNESS. He's not explaining it right.

The COURT. Well, that doesn't make any difference. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. The fact remains then, Mr. Kraft, through a car deal you were subsequently arrested and placed in the Mount Clemens County Jail?—A. Not for the car deal first. I was arrested for the furniture deal. Then the car deal was brought out.

Q. That came in later. The net result is the same. You were in jail.—A. Yes. And during the course of your various trials in Macomb County, you spent 17 months in the county jail out at Mount Clemens?—A. That's correct.

Q. Now, during that time, you had various visitors.—A. That's right.

Q. And one of the visitors was Mrs. Carr.—A. That's right.

Q. And on another occasion did you have a man and woman visit you?—A. Before this goes any further, let me bring out, for the first ten months I was in there, Mrs. Carr never came to visit me, and couldn't get in touch with me, and I am claiming this organization kept here away and threatened—

Q. Supposing you pick up your story when you were in the Macomb County jail and had visitors, one time, which was Mrs. Thompson, and a man and women told you when Mrs. Thompson disappeared and was taken to a certain house.—  
A. That's right.

Q. Tell us that in your own words.

The COURT. In other words, Mrs. Thompson—how did she know you were in there?

The WITNESS. She visited me on the first day of August, on a Wednesday, on a visiting day.

By Mr. GARBER:

Q. What year?—A. 1945.

The COURT. 1945?

The WITNESS. I hadn't seen her since I left Pontiac.

The COURT. How did she know you were there?

The WITNESS. That's what I am getting at now. When she came to see me, I said, "How did you know I was in here?" She told me she had found out in Pontiac through someone else in a restaurant, through a conversation—found out I was in trouble.

The COURT. All right. Now, she's down and visiting you.

The WITNESS. On that night—

The COURT. August?

The WITNESS. August 1st; the first day of August.

The COURT. 1945?

The WITNESS. 1945.

The COURT. You tell me right there, how you remember these definite dates?

The WITNESS. I remembered it, because I made a note of it when she visited me, because that's the only time she visited me, and that was one of the first visits I had there.

By Mr. GARBER:

Q. What conversation did you have with Mrs. Thompson at that time?—A. Well, I asked her why she had come down there, and she said, "Well, I thought maybe I could do something to help you. I heard you were in trouble."

Q. Did she ask you if you had a bond set?—A. She asked me if I had a bond set. I said, "Yes." Anyway, she said, "I can help you obtain your release on bond." I said, "No, I don't want you to do that. I am in trouble now with one woman, and I don't want you coming down. First thing," I said, "you are a married woman." That night, if I wanted to, she had \$1,200 cash money with her in her purse. That night, if I wanted it, I could have had that, took my release on bond right then, and there was six other men in the cell block in the Mount Clemens jail that saw her when she pulled the money out and offered it to me. Whether they would testify to it or not, I don't know. Anyway, I made her put it back in her purse. I said, "My trial comes up in two or three weeks, I have been here this long, I might as well wait." That night when she visited me, she looked quite a lot older, like she had been worrying quite a lot, been through a lot of misery, and she told me that night, every night when she would go home, there were prowlers around the house. I asked her, "Haven't you any protection? You live out in the house alone?" She said, "I live alone." I asked if she had a gun in the house. She said, "No, I haven't." I told her, "Why don't you go to the Sheriff's Office in Oakland County and explain there are prowlers around the house when you get home late; you have no protection and would like to have a gun." This is on the first of August she is visiting me, so on the 12th of August, she called me on the telephone in jail and told me she had gone to the Sheriff's office and had received a permit for a gun. Well, I remember her telling me, "but I can't carry it with me. I can have a gun in the house, but I can't carry it with me." I don't know if that is how the permit was issued, but that's what she told me on the phone, so she didn't come back to the jail to see me. I asked her not to, but I did promise her, when I got out—

The COURT. That's the last time you ever saw her?

The WITNESS. That's the last time I ever saw her alive, but I did promise her I would go and see her, and we both agreed we would go to the Federal Bureau of Investigation. We both agreed on that. So she called me up again. My trial came off October 5th. She called me up along about the first or second of October and told me about an argument she had with these two men that came out to the house, and told me if I was convicted, she was going to the Federal Bureau of Investigation and tell everything. I was convicted on the 5th of October. On the 13th of October, her body was found. I say, because she

was telling of the money she'd given them, and the way they chiseled money out of her, threatened her, so on, I say, because of that reason, she was immediately taken out and killed.

The COURT. Yes; but you didn't tell us, as I recall, she said she was paying these two men money.

The WITNESS. Well, she was. I have it in my manuscript.

The COURT. You haven't told us this afternoon. What do you say these two men were doing?

The WITNESS. Well, they were chiseling money out of her right along.

The COURT. For what?

The WITNESS. Threatening to go to her husband. On one occasion, they said they were going to harm her husband, and she didn't want that to happen, so she was paying them to keep away from her husband, and further than that, they were going to expose to her husband how she was paying them off to keep him away from these women, for that reason she was paying them off. They had taken about every cent she had. She didn't tell me exactly what she had paid them.

The COURT. Who did she say the men were?

The WITNESS. She never mentioned their names, but showed me a picture of one, a snapshot of him, and asked if I ever knew that man. I said, "Well, that's one of the men that pulled you out of the car that night." She admitted it was. She called him a brute.

By Mr. GARBER:

Q. Did you ever see a picture of that man?—A. Not since that time I was shown the picture and that man closely resembles him, a big, husky-built man.

Q. Is this the man?—A. That man very closely resembles him, but he never had that part there. That's the only thing I can see different in that picture.

Q. Would you say that's the man?—A. I wouldn't say definitely. If I see him personally, I can identify him in a minute. I would just have to look at him, but he was a man a little bigger than Sergeant Maxon.

Q. Was the snapshot that she showed you the same as this picture?—A. Similar to that picture, very similar.

Q. Now, who are this other couple that came in to see you?—A. That was a couple that came in about last week in November, that had come to the jail at Mount Clemens to see me. That was the first time they came to see me, a middle-aged couple.

Q. Who were they?—A. I don't know.

Q. How did they happen to come?—A. They came to the jail, asked for me. They told me I have a visitor. They sent them in the cell block and told them "just call for so and so."

Q. Was anyone else present?—A. Other prisoners.

Q. Any other visitors?—A. There were one or two. I don't know who they were.

Q. Didn't you tell me the last time you told me this story, Mrs. Carr was there?—A. No; she was there the second time.

Q. Tell us about the first time.—A. The first time?

Q. There was a man and woman?—A. That's right.

Q. Where had you seen them before?—A. I hadn't seen them before.

Q. They just came of their own accord?—A. They came there and asked for me. I talked to them a few minutes and they said they knew of the predicament I was in. They said, "Do you know who is responsible for you being here, and are even paying to have you put on trial again when the judge and the prosecutor wanted to dismiss your case, when the jury disagreed?" I said, "No. I have an idea." And they went on telling me it was the same people who were responsible for this Mrs. Thompson's murder.

The COURT. Was this after her murder?

The WITNESS. Yes; this was after her murder. They also told me they wondered if I knew this organization knew Mrs. Thompson visited me at the jail. I said, "No; I didn't know it."

By Mr. GARBER:

Q. Did you ask how she was murdered?—A. No; I didn't know these people. I was doing more listening.

The COURT. When did you learn she was murdered?

The WITNESS. I knew it the next day when her picture came out in the paper.

The COURT. In jail they allowed you to see the daily papers?

THE WITNESS. Yes, sir; I identified her right from the picture in the paper. I was talking to the deputy—

By Mr. GARBER:

Q. What was the name of the deputy sheriff you were talking to?—A. Frank Fressard.

Q. Was that before she was identified?—A. That was before she was identified, yes; before they had her name in the paper. They just had a picture of her.

Q. You told Frank Fressard that that was Mrs. Thompson, you knew her?—A. Yes, I knew Frank Fressard very well. I had a talk with him. I remember when I notified the state attorney general's office. I received a call at the jail in Mount Clemens. I was about to get my release on bond. Somebody told me over the phone if I cared anything about Florence Carr, I had better not get my release on bond. I received that phone call. Then I received another phone call, I don't know who from.

Q. A man or woman?—A. No; I don't know who from. They told me there was a woman going to be killed in Pontiac three weeks before Mrs. Thompson was killed. I immediately thought it was to be Florence Carr, because she was going to testify in my second trial. So Mr. Willard, Art Willard, of Detroit, an attorney, his daughter lives in Mount Clemens. She happened to be in the jail one day. I talked the matter over with her. I told her I received an anonymous call telling me this woman was going to be killed in Pontiac, and asked what I should do about it. She told me, "Just drop a line to the state attorney general, ask him to send someone to see you, and explain the thing to him." I did that. A state attorney general assistant came there to talk it over with me. I explained the whole thing to him.

Q. Do you know his name?—A. Thorpe.

THE COURT. Assuming that the woman that this anonymous caller had in mind was Mrs. Thompson, what would he be telling you for?

THE WITNESS. Well, this call that came didn't mention the name of the woman. THE COURT. Well, now, assuming that a call came to you while you were in jail, informing you that some woman was going to be killed in Pontiac, right?

THE WITNESS. Yes.

THE COURT. Three weeks later, a woman was killed in Pontiac?

THE WITNESS. Yes, sir.

THE COURT. And that woman was a woman you knew, and her name was Mrs. Thompson?

THE WITNESS. Yes.

THE COURT. So assuming that the party that was making that anonymous call had in mind Mrs. Thompson, that she was the marked woman for death, why would they be calling you up about it?

THE WITNESS. The party—I believe that the party that called me didn't know it was to be Mrs. Thompson. I believe that the party that called me thought it was going to be Mrs. Carr, and that's why he was calling me. Now, that's what I honestly believe. I believe the party that called did not know.

THE COURT. What connection then, is there between Mrs. Carr and Mrs. Thompson?

THE WITNESS. Well, the connection is that she is Mr. Peters' daughter.

THE COURT. Yes.

THE WITNESS. And as I say, this same organization that got after Mrs. Thompson was the same organization that was getting after me, because Mrs. Carr and I were friendly, were associating together. I claim that according to Mrs. Thompson's story to me, she admits she first went to Mrs. Peters for advice as to what to do about these women running around with Mrs. Thompson's husband. Now, Mrs. Thompson told me that story. These same two men that were trying to get her out of the car that night are the same two men that followed me around, broke into my store, followed me to Bay City and in Romeo I was never bothered there until one day Mrs. Carr went into the bank to cash a war bond. My store was the second door from the bank. She cashed that war bond the last week in October. The banker—there was something the matter with the bond—anyway, her Pontiac address was on the bond. Instead of the banker—he knew where she lived, that she lived only two blocks from the bank, she knew I was only the second door from the bank, but instead of going to her or coming to me about it, he went to her father about it. Her father told him she had run away with some upholsterer, told him a lot of nasty things about both of us, and from then on we started to have our trouble. These same two men came

to Romeo. I seen them from then on. Before that I never seen them, but as soon as her father found out she was in Romeo, the two men were up there.

The COURT. Where is her father now?

The WITNESS. In Pontiac. I haven't seen him since I left Pontiac.

The COURT. What's his first name?

The WITNESS. Virgil Peters. So that's the connection there. It's the same organization that's been chasing me around all over and trying to put me on the spot that put Mrs. Thompson on the spot.

The COURT. That's your assumption?

The WITNESS. It is not my assumption. It is my honest belief, because the same two men that tried to take her out of the car were following me around.

The COURT. That's your conclusion, your opinion.

By Mr. GARBER:

Q. You had some other visitors at the jail that told you what happened to Mrs. Thompson?—A. That's the first time the couple came. The second time they came was December 2nd.

Q. The same couple?—A. The same couple.

Q. A man and woman?—A. The same man and woman.

The COURT. Do you know them?

The WITNESS. No, I don't know them. The first time I seen them was a week before when they came to the jail and asked for me.

The COURT. Was Mrs. Thompson dead at that time?

The WITNESS. Yes, because that was in November, and she was killed in October. So the second time they came was on December 2nd. Now, you wonder how I know those dates. Well, after Mrs. Thompson was killed, I naturally was interested, very interested. I kept the date of anybody that visited me.

The COURT. What happened the second time?

The WITNESS. They gave me the whole story, how Mrs. Thompson was killed, how she was picked up.

By Mr. GARBER:

Q. What did they tell you?—A. They told me she was picked up on the 11th of October about 6:10 p. m. She went to Walgreen's Drug Store on the corner of Huron and Saginaw Street, a big drug store. They told me she went in there, had a cup of coffee, a light lunch at the soda fountain, and from there went to the telephone and made a telephone call. They said when she left the drug store, on the Huron Street side of the drugstore she waited about ten minutes. A car came along to pick her up, a 1940 sedan.

The COURT. You don't mean kidnapped?

The WITNESS. No. A 1940 Chevrolet Sedan, black.

The COURT. That's what these people told you?

The WITNESS. They said there was a middle-aged couple in the car.

The COURT. A man and woman?

The WITNESS. A man and woman; yes. I asked these people, "Do you know their names," they said, "yes, we know their names," but they wouldn't give me their names then. I said, "I wish you would tell me their names. If you do, I will never reveal where I got their names from." They said, "No; if you want to, we came down with this purpose in mind, we are members of this organization, so to a certain extent we are going to be in trouble, but at the time we got into this organization we didn't know what it was all about, but we know several people who have been actually murdered by this organization," and they did promise me and make me promise them I wouldn't reveal it to anybody until after I was out and I could contact them after I was out. They promised me a list of 35 or 40 members of this organization, and there's a whole lot wanted to get out of it, but don't dare to get out of it, because once they are in it, they're stuck, because they're liable to get killed. I promised these people I wouldn't reveal it to anybody. That was on December 2nd.

The COURT. These people are the man and woman that visited you?

The WITNESS. Yes, sir.

The COURT. On December 2nd?

The WITNESS. Yes, sir.

The COURT. 1945?

The WITNESS. Yes, sir.

The COURT. Which was after Mrs. Thompson was murdered, which was October?

The WITNESS. That's right.

The COURT. And that's the second time these same people visited you?

The WITNESS. Yes, sir.

The COURT. They said they were members of this organization and you didn't know them before they came to visit you twice in the jail?

The WITNESS. No; I haven't known them.

The COURT. They hadn't given you their names up to December 2nd?

The WITNESS. No, sir.

The COURT. Did they ever give you their names?

The WITNESS. No, sir.

The COURT. You don't know who they are?

The WITNESS. No, sir.

The COURT. And the only reason you believe they are members of this organization is what they told you?

The WITNESS. Yes, sir.

The COURT. Now, they were to give you the names of a man and woman that picked Mrs. Thompson up.

The WITNESS. They were to give me their names.

The COURT. On what date?

The WITNESS. They picked her up October 11th.

The COURT. At Walgreen's Drug Store?

The WITNESS. Yes, sir.

The COURT. They were to give you their names?

The WITNESS. Yes, sir.

The COURT. That's what they said they would do on December 2nd?

The WITNESS. What they promised

The COURT. Did they ever give you their names?

The WITNESS. No, sir; because that's the last time I ever saw them.

The COURT. You didn't have their names either. You don't have the names of the parties who visited you in jail?

The WITNESS. No, sir; I don't.

The COURT. So if Mrs. Thompson was picked up October 11, 1945, by a man and woman at Walgreen's Drug Store, you don't know who the man and woman were?

The WITNESS. No; I don't.

The COURT. Because you were in jail?

The WITNESS. That's right.

The COURT. And the parties that gave you the information voluntarily came to the jail twice?

The WITNESS. Yes, sir; they came of their own free will.

The COURT. And gave you the information?

The WITNESS. Yes, sir.

The COURT. About how Mrs. Thompson was picked up on December 2nd, 1945?

The WITNESS. Yes, sir.

The COURT. You were still in jail?

The WITNESS. Yes, sir; I was.

The COURT. And they didn't give you the names, neither did they give you their own names?

The WITNESS. No, sir; they didn't.

The COURT. So you have two different couples and don't know who they are?

The WITNESS. No, sir; I don't know their names.

By Mr. GARBER:

Question. What else did they tell you about where she was taken, and so forth?—A. They told me she was taken to a house, described the house, and I am positive they said on Walton Boulevard. Now, I have driven past that neighborhood at least half a dozen or more times.

Q. When, with the officers here?—A. No; when I was in Pontiac. Mrs. Carr lived on Walton. I used to take her out to see if she had any mail. I was never in the house. She had a mail box out on the road. According to the description these people gave me of the house, Mrs. Thompson was taken to, I was sure I knew where that house was.

Q. On Walton?—A. Yes; because at that time it seemed to be the only house under construction.

Q. So what?—A. Well, they told me she was taken to this house. They also told me they have her purse she had that night, with all the contents.

Q. The parties that talked to you?—A. Yes. They also told me they had a sheet that was on the bed Mrs. Thompson was on, with blood from Mrs. Thompson's body on it. These people told me they have that, and would turn it over



to me with all the information, and also give me the names of 35 or 40 people that belonged to this organization. I was sure of getting out. I was sure there was no proof of forgery at my trial.

The COURT. You were already convicted?

The WITNESS. No, sir; that was the second trial. I was put on trial three times for the same offense, until I was finally convicted. The last time I was convicted was May 1946.

The COURT. What would be the purpose of these people telling you all this?

The WITNESS. Because they knew Mrs. Thompson was a friend of mine and they knew I was a friend of Mrs. Thompson's, and they knew I would be interested, and they also knew this same organization was responsible for my trouble; for me being there in jail. They knew I was tricked. This automobile was never sold, never sold by me, never sold by Mrs. Carr. They knew how the main witness in my case was killed three weeks before I went on trial. They beat him up, fractured his skull, the main witness in my case, that knew how the title was signed. See, all that would have been brought out to show the connection between the two cases.

Mr. GARBER. We will have a little break and start up again.

(Witness excused.)

---

### STATE OF MICHIGAN

#### IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Friday, January 3, 1947.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

11:30 a. m.

WELLINGTON R. BURT, having been by the Court previously duly sworn, was examined and testified further as follows:

#### Examination by Mr. GARBER:

(Whereupon, a document was marked "Grand Jury Exhibit 13" by the Reporter.)

Q. I will show you Grand Jury Exhibit 13, and ask you to identify this, Mr. Burt?—A. I know not a thing about this. I had nothing to do with it.

Q. From whom did you receive this?—A. From Mr. Cochrane to deliver to you.

Q. You were given these papers?—A. And have never even seen them.

Q. You don't know what they contain?—A. I do not.

Q. They were given to you by Mr. Cochrane to deliver?—A. He told me if there was any question about it, to talk to Mr. Hinchman.

Q. Who is Mr. Hinchman?—A. The head auditor.

Q. And Mr. Cochrane is director of purchases?—A. Yes.

Q. So you merely conveyed this down on Mr. Cochrane's instructions?—

A. Yes. I have never seen those papers.

Q. And if there was any question about it, to take it up with your chief auditor?—A. Yes.

Q. Now, the last time you were in here, Mr. Burt, you told us about this exhibit 4, which was the contract between the Renda Company and the Briggs. At that time you told us that that contract was on Mr. Cleary's desk over a period of time, if you recall?—A. That's right, yes, sir.

Q. Are you certain of that?—A. Positive.

Q. As a matter of fact, this was not drafted previous to March 3, 1946, Mr. Burt. Could you have been mistaken on that?—A. Well, I could have been, but it seems to me it was there much longer than that.

Q. Well, that's the day it was drafted?—A. Is it? Well, then I am mistaken.

Q. It couldn't have been on Mr. Cleary's desk—A. Because on the other copy

of this, I have a pencil memorandum, I wrote it in shorthand, the day I filed the thing.

Q. Yes, I have it here, that's right.—A. And it seems to me it was on his desk much longer than that. I may be mistaken.

Q. Yes. This is Grand Jury Exhibit 1. You have a notation on there it was—A. Filed per Mr. Cleary, April 26, 1946.

Q. That's right. That would be approximately a month or six weeks?—A. Yes.

The COURT. Before or after?

By Mr. GARBER:

Q. After the date it was drafted. There is no question of the date it was filed?—A. No, no.

Q. So, if it was drafted as of March 3, 1946, and filed as of April 26.—A. It had only been there a month, then, according to that.

Q. Or a little better.—A. Well, I know there was a blue folder like that on his desk, and General Electric is the same kind of folder. It may have been the General Electric, but I am positive that was there longer than a month.

Q. Of course, it is our business to find out about those things.—A. Yes, I know that. I would swear it was there longer than a month, but I may be mistaken.

Q. Now, you knew Mr. Cleary over a period of years?—A. Yes.

Q. What kind of health did Mr. Cleary enjoy?—A. Well, up until the last two or three weeks, why, apparently good health, although he was sick now and then with—oh, I don't know what his trouble was.

The COURT. How old a man was he when he died?

The WITNESS. Up in the sixties—sixty something. I did know his age. I filled out some insurance policies for him a number of years ago, but I have forgotten. I would say around between 55 and 60, possibly a little older.

By Mr. GARBER:

Q. Very active?—A. Yes; he belonged to the Bowling Club down at the D. A. C., played golf.

Q. Did you notice anything unusual about him, as far as his health was concerned, during the last six or seven months?—A. I noticed a tremble in his hand when he signed his name.

Q. When did that first start?—A. I noticed that, I would say, for the last two years.

Q. And any other—did he have to take off any time from his work?—A. Yes, he was off quite often.

Q. When did that condition start?—A. Oh, that's been going on the last three or four years.

Q. Was he off for any length of time or just a day or so?—A. Well, the last sickness and the one a year ago he was off about a week.

Q. He had one a year ago, a year before he died, do you mean?—A. Yes.

Q. About June 1945?—A. Well, it was in cold weather, and I know he had a touch of almost pneumonia, and he took that sulpha drug.

Q. Were there any other sicknesses he had over any length of time?—A. Not that I know of.

The COURT. What did he die of?

The WITNESS. Cerebral hemorrhage.

By Mr. GARBER:

Q. Do you know whether or not he had a check-up?—A. He did; yes.

Q. How often did he have a check-up?—A. His personal check-up, I don't know, but the company check-up, he had once a year.

Q. But he died of a cerebral hemorrhage?—A. Yes.

Q. Did he ever talk about having high blood pressure, anything like that?—A. No.

Q. Do you know a Mrs. O'Keefe?—A. No; I do not. I saw her in the office a couple of times, but I never met her.

Q. What was her business in the office?—A. Truthfully I didn't know at the time she came in, but I know now.

Q. What was her business?—A. In the scrap business.

Q. Do you know what her name was before she was married?—A. No, sir.

Q. Do you know the Whiting family?—A. No, sir.

Q. Do you know whether or not Mr. Cleary knew the Whiting family?—A. No; I do not.

Q. How long had Mrs. O'Keefe been coming in to see Mr. Cleary?—A. Oh, I would say a couple of months.

Q. A couple of months?—A. Oh, she contacted him lots of times on the telephone. Over a period of three or four months, I would say, she was in the office two or three times.

Q. Did she obtain some of the nonferrous metal from the Briggs?—A. Yes.

Q. Do you know how long a period she had this deal with Mr. Cleary?—A. No; I do not. See, at that time I had nothing to do with scrap, knew nothing about it. It was all between he and the people he was dealing with. If there were any papers in connection with it that had to be filed, it came to me.

Q. Were there any papers?—A. No.

Q. Did she call him very often on the phone?—A. Oh, once or twice a month, possibly.

Q. And she's been in the office two, three, or four times?—A. Yes.

Q. How old a woman is she?—A. Well, I understood she went to school with Bill, so I presume she is about Bill's age, and Bill isn't over 30. That's Bill Junior, Mr. Cleary's son.

The COURT. Where did she go to school?

The WITNESS. I don't know whether it would be Notre Dame or University of Detroit; I think Bill went to U. of D.

The COURT. You mean she went to college?

The WITNESS. Yes.

By Mr. GARBNER:

Q. Did Mr. Cleary have any other people that he favored or had any dealings with relative to the scrap?—A. Not to my knowledge.

Q. Outside Mrs. O'Keefe?—A. Not to my knowledge.

Q. Have you been able to ascertain anything further as to how this deal came about between the Renda Company and Mr. Cleary?—A. No; I have not. I haven't heard a word. I have talked to no one about it.

Q. Has anybody talked to you about it?—A. No.

Q. Did Mr. Cochrane talk to you about it?—A. No, sir. He hasn't said five words about it.

Q. You don't know when Mrs. O'Keefe started first to contact Mr. Cleary about this scrap business, do you?—A. No; but I am sure it was during the war, but I don't know just when.

Q. After the Renda Company started to do business as to the scrap, was Mrs. O'Keefe given any further consideration?—A. Well, I think Renda entered the picture after the war, and Mrs. O'Keefe got aluminum. She had nothing to do with steel scrap, as I recall it.

Q. You don't know whether she got other nonferrous metals?—A. No; I don't.

Q. Well, anyway, to your knowledge, after Renda came into the picture did she ever get any nonferrous metals or was she cut off?—A. I think she must have been cut off, because after the war, as I recall it, she was out of the picture.

Q. Well, when did the war end?—A. Well, it ended in June, the war with Germany, June of 1945.

Q. Renda came in there and was getting that stuff in April 1945?—A. Yes; according to that he was, but I don't know whether she got any or not. I had nothing to do with scrap at that time.

Q. But you think she was acquainted with Bill, Junior?—A. That's what I understood later.

The COURT. What was your position at that time?

The WITNESS. I was secretary to Mr. Cleary.

The COURT. April 1st, 1945, you were Secretary to Mr. Cleary?

The WITNESS. Yes.

The COURT. And had been how long?

The WITNESS. All during the war. I started with him this last time in October 1941.

The COURT. And now you are secretary to Mr. Cochrane.

The WITNESS. Yes; and also a buyer.

The COURT. That's an additional duty?

The WITNESS. Yes.

The COURT. But under Cleary you were not the buyer?

The WITNESS. Yes.

The COURT. Were you a buyer under Cleary?

The WITNESS. No. Well, the last year I bought a few things.

The COURT. Who did Mrs. O'Keefe represent, what company?

The WITNESS. I don't know, but I know it was a Jewish company. I don't recall the name.

The COURT. Located in the Book Tower?

The WITNESS. I don't ever know their address.

By Mr. GARBET:

Q. Would it refresh your memory if I say it was the Reliance?—A. I don't know. There's so many of those companies, I couldn't recall. I know it was a Jewish company.

Q. Did you ever hear of Mr. Robinson in connection with Mrs. O'Keefe?—A. No, sir.

The COURT. Do you know how Mrs. O'Keefe happened to make the contact on that scrap?

The WITNESS. No, sir; I do not.

Mr. GARBET. I think that's about all from Mr. Burt, Your Honor, unless you have some questions.

The COURT. You know nothing further about this Renda contract?

The WITNESS. Absolutely not.

By Mr. GARBET:

Q. Do you know whether or not they are going to request bids this time?—A. I believe they are. I understood they are.

Q. Have you prepared any?—A. I haven't, but I think our salvage man has. I don't know whether they have been sent out yet.

Q. But there are requests for bids?—A. Yes.

The COURT. Do you know what is the reason for that?

The WITNESS. No, sir.

The COURT. Do you know anything about the beating that took place over in the Briggs?

The WITNESS. No; I do not.

The COURT. About the time that the Renda contract went into force?

The WITNESS. No; I do not.

The COURT. You know there were various serious beatings?

The WITNESS. Yes; reading it in the paper, but I don't know anything about it around the office.

By Mr. GARBET:

Q. Did Mr. Cleary show any signs of nervousness or being disturbed after those beatings started, as you recall?—A. No, sir; he never did.

The COURT. Do you think there was any connection between Mr. Cleary okeying the Renda contract and a possibility of mental disturbance thereafter, resulting in high blood pressure, ultimately in a brain hemorrhage?

The WITNESS. Well, if there was, it was unbeknown to me, and I never noticed any difference in him.

The COURT. Of course, the policy of the disposing of scrap was entirely different after Renda came in, than it was prior to that time?

The WITNESS. Yes.

The COURT. Did you ever hear Cleary say, referring to Renda, that he's the king of the waps?

The WITNESS. Yes; he told me that.

The COURT. He told you that?

The WITNESS. Yes.

The COURT. Now, Cleary himself would not be a man that would be entangled with the waps; would he?

The WITNESS. Absolutely not.

The COURT. He was far removed from that?

The WITNESS. Yes, sir.

The COURT. A high-type fellow?

The WITNESS. Positively.

The COURT. In other words, you wouldn't expect to find Cleary entangled with mobsters?

The WITNESS. No, sir; I would not.

The COURT. Did you ever hear that these beatings took place or they were caused by mobsters?

The WITNESS. No, sir.

THE COURT. Did you ever pay enough attention to the reading or information you got from the press or otherwise, to know that all these beating followed a general pattern?

THE WITNESS. No, sir.

THE COURT. And were very highly probable that they were caused by the same parties?

THE WITNESS. No, sir; I never gave it a thought.

THE COURT. Did you ever give it a thought there was any connection between those beatings and the Renda Company?

THE WITNESS. No, sir; I did not.

By Mr. GARBER:

Q. Did you ever hear Mr. Cleary mention these beatings?—A. No, sir. That was the only thing he ever mentioned to me about Renda, after he went out one day, I happened to be in there to pick up some papers, and he said, "Did you see that fellow?" I said, "yes"; he said, "Well, he's king of the waps." I told you that the other day I was here.

Q. Do you know why Mr. Brown quit?—A. No; I do not.

Q. Have you ever written Mr. Brown since he left?—A. No, sir.

Q. Do you know where he is at?—A. I understand he is in Miami, but I have never been down there.

THE COURT. What is he doing down there?

THE WITNESS. Nothing, that I heard.

THE COURT. Do you understand he is in any business down there?

THE WITNESS. No; he owns a lot of property down there, apartment houses, I guess, that keeps him busy.

THE COURT. What's his full name?

THE WITNESS. William P. Brown.

By Mr. GARBER:

Q. Is he in Miami or Key West?—A. Miami, I thought.

Q. Do you know anybody over there would know Brownie's address?—A. I imagine the president of our company, anybody up in the front office—Mr. Robinson would know it, Mr. W. O. Briggs, probably.

Q. Could you find it out without arousing any suspicion?—A. Yes; I believe I could.

Q. Would you, and call either me or Mr. DeLamielleure.

THE COURT. Do you think Mr. Brown would come up here?

THE WITNESS. I imagine he would if you subpoenaed him, he would have to.

By Mr. GARBER:

Q. Do you recall when Mr. Brown resigned, approximately? It doesn't have to be the exact date.—A. No, I do not. It's over a year, I know that.

THE COURT. Do you know why he resigned?

THE WITNESS. No, I do not.

THE COURT. Did you hear any rumors or rumblings?

THE WITNESS. Oh, you heard a lot of rumors—nothing I would want to say.

THE COURT. What rumors did you hear?

THE WITNESS. I heard he was let out.

THE COURT. For what cause?

THE WITNESS. I never heard the cause.

THE COURT. He was—at the time he was let out, what position did he hold?

THE WITNESS. He was president of the company.

THE COURT. And had been for approximately how many years?

THE WITNESS. He what?

THE COURT. He had been for approximately how many years?

THE WITNESS. Oh, for ten or twelve years, I believe.

THE COURT. He was brought in there by Mr. Briggs, Senior.

THE WITNESS. That's right.

THE COURT. And worked up to that job. What was he, a bellhop down in—

THE WITNESS. Cincinnati?

THE COURT. Cincinnati?

THE WITNESS. I don't know anything about that. I have heard he was, but I don't know, so I wouldn't want to say, but I know he came up from the ground out there.

THE COURT. Did you ever hear Walter Briggs just happened to take a fancy to him?

THE WITNESS. Yes; I heard that.

By Mr. GARBER:

Q. Was he drinking very heavily?—A. I don't know. I was never in his company in my life, so I don't know.

The COURT. How old a man was Mr. Brown?

The WITNESS. Oh, I imagine about 45.

The COURT. Still a young man?

The WITNESS. Yes.

The COURT. And he was let out when?

The WITNESS. Well, I don't know, he was let out. He resigned, oh, I would say approximately a year ago, approximately a year and a half.

The COURT. So he was about 43 years old?

The WITNESS. Yes.

By Mr. GARBER:

Q. A year and a half ago would bring it approximately the time this contract—approximately the time of the Renda contract?—A. It would.

Q. Was it about that time?—A. No; he was there the time that took effect.

Q. For a little while?—A. For a little while.

The COURT. Then Dean Robinson took his place?

The WITNESS. That's right.

The COURT. Brown was not a college man?

The WITNESS. Truthfully, I don't know, but I don't think he was.

The COURT. And he worked up from some menial position?

The WITNESS. Yes; that's right.

The COURT. Right to the presidency.

The WITNESS. He was secretary to Mr. W. O. Briggs for a long time. I know, when I first went with the company. Then he was made sales manager after that, then vice president.

The COURT. Where did Brown live while he was here?

The WITNESS. I don't know. I never was at his home in my life. I never was in his company in my life.

The COURT. Is he married?

The WITNESS. I understand he is.

The COURT. Any children?

The WITNESS. I have heard one, but I don't know.

The COURT. Is there anything further?

Mr. GARBER. No; I think that's all, your Honor.

The COURT. There may be some reason that would present itself later that we might ask you to come down.

(Witness excused.)

2:15 p. m.

AUGUST JOSEPH KRAFT, having been by the Court previously duly sworn, was examined and testified further as follows:

Examination by Mr. GARBER:

Q. Now, to go back to where we were yesterday when the Judge had other matters to take care of, Mr. Kraft, as I recall it, you were telling the Court at that time that this man and woman had come in to see you one time, and then they came back and told you about the couple picking her up at the drug store in the 1940 or '41 Chevrolet, and that she was taken to a certain house that you thought you could identify, and that her purse and certain bloody sheets, and so forth, from the bed where she had been, were there. And the Court asked you at that time did you know this man and woman, and you said they were strangers, you didn't know their names, and you didn't know the names of the other couple that had driven Mrs. Thompson to this house. Is that correct?—A. That's correct, with the exception that you said they told me this bloody sheet and things were at that house. They are not at that house. These people told me they have them in their possession.

Q. They had them?—A. Yes.

Q. You still don't know who those people are?—A. No; not by name.

Q. You know of no method or any one you could refer this Grand Jury to, to locate those people?—A. No. The only way I could locate those people, that is, myself, I had an agreement with them if I was to be acquitted in Macomb County, which looked very sure, I was to go to the Waldron Hotel in Pontiac and insert an ad, a simple ad in the Pontiac Daily Press, "I am ready and am waiting at hotel for you," and sign my name, Joe Kraft, and they would get in touch with me there.

The COURT. When were you to insert this ad?

The WITNESS. After I was acquitted in Macomb County, I promised them I would go there immediately.

The COURT. You wouldn't know where to contact these people now?

The WITNESS. No; I know they are in or around Pontiac, but I wouldn't know just how to go to their home. I don't know their home address. That's the only way I could contact them. I know these people at the time, they told me so many things there, they was willing to cooperate thoroughly.

The COURT. How would you word that ad?

The WITNESS. Just as I just said it, "I am ready and am waiting at hotel for you," put my name to it, Joe Kraft.

The COURT. Joe Kraft?

The WITNESS. Yes; I am known there as Joe Kraft.

The COURT. What hotel?

The WITNESS. The Waldron Hotel.

The COURT. Is that on the main street?

The WITNESS. On one of the main streets, I think Perry Street.

The COURT. You wouldn't direct the ad to anybody?

The WITNESS. No; not any name. All the agreement we had between us—as a matter of fact, I wrote it down on a piece of paper.

The COURT. They gave you those instructions on December 2nd?

The WITNESS. December 2nd.

The COURT. 1945?

The WITNESS. That's correct.

The COURT. And Mrs. Thompson was murdered——

The WITNESS. In October.

The COURT. October 1945?

The WITNESS. The 13th—they found her body on October 13, 1945.

The COURT. Well, would you authorize the Grand Jury to insert such an ad?

The WITNESS. Your Honor, I am willing to cooperate in any way.

The COURT. And sign your name to it?

The WITNESS. Yes, sir.

The COURT. What paper were you to put it in?

The WITNESS. The Pontiac Daily Press.

The COURT. If that ad were run, they may or may not see it?

The WITNESS. Well, they would be watching for it, I am sure.

The COURT. Well, how long do you think they would be likely to watch for such an ad?

The WITNESS. Well, I don't know just how long, because I did tell them even if I was convicted, I was going to try to appeal my case, because I was sure I didn't commit a crime.

The COURT. Did you appeal your case?

The WITNESS. Did I?

The COURT. Yes.

The WITNESS. I am just preparing to appeal it now.

The COURT. Who is your attorney?

The WITNESS. Asher Cornelius.

By Mr. GABER:

Q. When did you get hold of him?—A. Just a few nights ago.

The COURT. In Detroit?

The WITNESS. Yes, sir.

The COURT. While you were over in jail?

The WITNESS. While I was over in jail, yes.

The COURT. You told him you were down here as a Grand Jury witness?

The WITNESS. I told him I was down here as a Grand Jury witness, but didn't speak much about what it was about or anything.

The COURT. Now, from the information that these two strange people gave you, what conclusions did you come to as to where Mrs. Thompson was murdered?

The WITNESS. Well, it's what they told me. They were the ones told me how she was picked up, where she was taken to, and as they described the house to me, she was taken to, I was positive I knew the house she was taken to, but, of course, I was taken out by this officer, and his partner, but I couldn't identify the house, because it was under construction two years ago. Now, the house is finished.

The COURT. Was it your opinion, after you discussed this matter with them, that Mrs. Thompson was murdered in this house?

The WITNESS. Yes, I believed them. They told me she was murdered in this house, and I believed them.

The COURT. What street is that house on?

The WITNESS. I understood it to be Walton Boulevard.

The COURT. Walton Boulevard?

The WITNESS. Walton Boulevard near the Dixie Highway, just a short way off.

The COURT. And in December 1945, the house they described to you was under construction?

The WITNESS. Well, no; it was under construction when I had seen it last. That was, I would say, about nine or ten months before that.

The COURT. About nine or ten months before that?

The WITNESS. Yes, it stood there a long time that way.

The COURT. The house was under construction on Walton Boulevard?

The WITNESS. Yes, sir.

The COURT. And that was the last time you saw the house?

The WITNESS. Yes, sir; it is.

The COURT. Well, from the information these two strangers gave you while you were an inmate of the Macomb County Jail, you concluded it was that house?

The WITNESS. That's right, from the description they gave me.

The COURT. In which she was murdered?

The WITNESS. Yes. It was the only house under construction where they were using second-hand lumber in. In fact, the only house I know of at the time under construction. It stood there a long time partly finished.

The COURT. Why do you think it was that particular house. Why couldn't it be some other house?

The WITNESS. Well, the location they told me, the location of the house, they said it was about four or four and a half miles out of Pontiac, and I am sure they told me it was on the same road this Mrs. Florence Carr lives on, but, of course, she lives a distance of three miles from this house, and when they said that, I am sure it was Walton Boulevard, and when they described the house to me, it made me all the more sure.

The COURT. What would be the purpose of those people giving you that information?

The WITNESS. Well, they knew that I was in trouble there, and I was in jail so long there; they knew Lydia Thompson knew me. They knew she had come to see me, because they told me so. They knew I was acquainted with her, and also knew she visited me at the jail. How they knew that, I can't tell you, but they did tell me that when they talked to me, and I suppose they figured I would be interested in it, and they knew Lydia Thompson, after my release, that she and I were going to the Federal Bureau of Investigation and tell them the whole story.

The COURT. Well, based on your knowledge of Lydia Thompson and her activities, being familiar with some of the members of that cult, and knowing the vicinity of where the cult was located, and also knowing some of the activities of Mrs. Carr, in the light of all that, who do you think murdered Mrs. Thompson?

The WITNESS. Well, two of the men, I know them positively by sight, not by name, but I know them positively by sight. The other man and the woman that was in the house—there was supposed to be four people in the house where Mrs. Thompson was murdered, a woman and three men—two of them I can identify the minute I see them, because those are the men that came to my store in Pontiac, and the man and woman, I don't know until—they told me they would give me all the information and would give me the names of 35 or 40 people who belong to that organization—there are so many people in it want to get out, because when they get in they don't know what they are getting into.

The COURT. Do you know any members of that gang that did any other killings?

The WITNESS. Well, I know of a woman there that I started a car for one day—she was at the services there one night, and about nine-thirty that night I was in my room, and it was either the housekeeper or it was Mrs. Carr, one of the two knocked on my door and wanted to know if I would start a car for a party that couldn't get her car started. I put on my coat and went out there. There was a young woman, 22 or three years old.

The COURT. Where was the car?

The WITNESS. Out by the mission, in the driveway.

The COURT. In the parking lot?



The WITNESS. No; there's a driveway alongside of the mission, they usually parked their cars in the driveway. I went out to start the car. It was an old Chevrolet car. I worked on the car perhaps 20 minutes, half an hour, but during the time I was working on this car this woman remarked to me, "What in the world are you doing around here, living around here?" I said, "I live here." She said, "Don't you know what kind of people they are?" I said, "I don't know, they seem to be all right, as far as I know." "Well," she said, "They are not all right." She said, "They are dangerous people to be associated with." She told me then—she was to have a child in the near future, and she told me then, this father of her child refused to marry her, and they had deliberately taken him out and killed him.

The COURT. Who was she?

The WITNESS. The officers here have her name. I don't know her name at the time, but Mrs. Carr gave the officers her name. I didn't know her by name, so I thought the woman was crazy or something, to tell me something like that. I didn't pay much attention to it, but I got her car started. She drove away. That's the last I had to do with it. Now, the reason I feel those things are true, when I talked to Mrs. Thompson, when she revealed everything to me, she made some prophecies that since have come true.

The COURT. Is that mission still running?

The WITNESS. Yes; I believe it is.

The COURT. Run by the same people?

The WITNESS. I don't know. I have been away two years.

The COURT. Who are the dominant parties?

The WITNESS. Mr. Peters.

The COURT. What is his first name?

The WITNESS. Virgil Peters. Mrs. Thompson told me then when she was talking to me, this man by the name of Kelly she spoke to me about, he lived at the mission, and she prophesied something was due to happen to him soon.

The COURT. What did happen?

The WITNESS. Because he was a man who became intoxicated and talked—

The COURT. Did anything happen?

The WITNESS. Well, he was killed at about 1:30 in the morning. I am sure he was knocked down the steps there from the second floor. Of course, it was made to appear like an accident, but I was present that night. I worked in the basement on some furniture till one-thirty in the morning. I went up the stairs and was only there five minutes and he and the other man came in. The other man seemed to be the right-hand man to Peters. They came in, not staggering drunk, but were arguing. They got up the stairs all right, but were still arguing quite loud, and just a few minutes I heard Kelly from upstairs—I was just below the stairs—I heard Kelly say from upstairs, "Quit shoving me around," and he came tumbling down the stairs, and he came down so hard—I was the first one to reach his body. Kelly wanted to tell me something then, but lapsed into unconsciousness. Well, it made so much noise when he came tumbling down the stairs, it woke up the Peters family.

The COURT. What time was that?

The WITNESS. One-thirty in the morning.

The COURT. What date?

The WITNESS. The exact date I couldn't tell you, but it was in February.

The COURT. What year?

The WITNESS. 1944. Now, I insisted that they call the police. When the housekeeper came down and a couple of other men from upstairs came down, she said, "Carry him upstairs and put him in bed. He's just drunk." I said, "He's not just drunk, he's hurt bad."

The COURT. Anyway, what did the authorities say caused his death?

The WITNESS. Internal injuries.

The COURT. Well, from an accidental fall?

The WITNESS. From the fall, yes; but the case was never investigated. They didn't want to call the police but I insisted they call the police. When they called the police I wanted to talk to the police, but they conveniently called me upstairs. At that time Mr. Peters was ill in bed, he was having one of his spells, chills, and they asked me to go upstairs. When I went upstairs, that's when the police came, two city police.

The COURT. He died?

The WITNESS. Yes.

The COURT. How long after?

The WITNESS. Two days later in the hospital.

The COURT. How old a man was he?

The WITNESS. About 45, 50.

The COURT. A screw ball or what?

The WITNESS. No; a man that worked steady, he worked every day. He did drink week ends, during the week he never drank, but payday he would go out and have a few drinks, and he was—like you say, I wouldn't say a screw ball—an intelligent man—well, he was the average man.

The COURT. Well, you have given us about all you know about this business?

The WITNESS. Yes; I have.

Mr. GARBER. Wait a minute. There's one more thing he knows.

By Mr. GARBER:

Q. Didn't you have some conversation about how this body got where it was? Did you ever find out from these people what happened to this body after it was in this house?—A. Which body?

Q. Well, Mrs. Thompson's body.—A. It was taken from that house about six-thirty in the morning, taken from that house in a blue Hudson Sedan by two men. As these people told me, the body was not supposed to be found where it was found there, and their reason for leaving the body there and how they found the body, one of the two men was an epileptic, and somehow or other, they got on the wrong road there, and as they was taking the body out of the car—they was to bury it someplace—and as they were taking the body out of the car, the epileptic had a fit, and just then another car came along. They left the body lying there. Her throat wasn't severed then, but they chopped her throat. The one man put the epileptic in the car and drove away, and left Mrs. Thompson's body lying there.

The COURT. Mrs. Thompson was dead then?

The WITNESS. Yes.

The COURT. What was the purpose of cutting her throat then?

The WITNESS. I don't know what the purpose was, but when the body was taken out of the house her throat wasn't cut. There were some puncture wounds in her body. They done that during the night.

By Mr. GARBER:

Q. Why?—A. Trying to get some information from her regarding her home. As I understand, they were trying to mortgage her home to get more money out of her.

The COURT. How do you know her body was punctured?

The WITNESS. These people told me.

By Mr. GARBER:

Q. Do you know what it was punctured with?

The WITNESS. I would say—I had two webbing stretchers. A webbing stretcher is a tool, a block of wood about that long; it has four sharp prongs, and a single stretcher is merely a handle like an awl, and has just one prong. Those two of mine are missing. Those two I never got back from the mission. Mrs. Carr brought all my tools out to Romeo, but those two tools were missing.

The COURT. Now, this webbing stretcher—

The WITNESS. I will draw you a sketch of it.

The COURT. I will draw it for you.

The WITNESS. He knows what a webbing stretcher is.

The COURT. Those are the teeth.

The WITNESS. That's right. The prongs hook into your webbing.

The COURT. Well, if you told me last night, Mister, I would have brought one right down to you this morning.

The WITNESS. The single one just has a handle on it like an awl, and one prong.

The COURT. How long is that prong?

The WITNESS. About half an inch, I would say.

The COURT. I will bring him one down.

By Mr. GARBER:

Q. Were you told what they cut her throat with?

The WITNESS. Well, these people told me that they have a weapon that is known as a sugar-beet knife, and they told me they have that weapon. Now, this weapon I repaired, a weapon like that, one day, a sugar-beet knife. I put a handle on it.

The COURT. What kind of a single webbing stretcher—what kind is it?

The WITNESS. Just simply a round handle about that long.

The COURT. Like an awl?

The WITNESS. Yes; but the prong is only half an inch long.

The COURT. How do you use that in upholstering?

The WITNESS. You use that in upholstering where you don't put new webbing on, or sometimes the webbing is pulled off one end. You use it to hook into the webbing, like that, draw it up, to drive a tack in it.

The COURT. Just the one?

The WITNESS. Yes. The single one was handy to use in repairing where you sometimes get a piece of furniture where one end of the webbing was torn out.

The COURT. If the webbing is broken—

The WITNESS. See, the webbing is fastened—

The COURT. Yes; I know how it is fastened.

The WITNESS. On the end like this.

The COURT. You put the webbing on like this, take it that way, tack it there.

The WITNESS. That's correct, and tack more tacks on top.

The COURT. And you pull it with this thing there?

The WITNESS. Yes.

The COURT. I haven't time to figure out how you would use one prong.

The WITNESS. That's simple. See, the end here is fastened with tacks here, isn't it?

The COURT. Yes.

The WITNESS. When you get in a job to repair, where you are not going to put new webbing on, maybe three, four or five tacks have pulled out, you use this, hook it through the webbing, draw it up tight, so you can drive another tack in there.

Mr. GARBER. Well, let's adjourn it.

(Witness excused.)

2:50 p. m.

WILLIAM J. CLEARY, JUNIOR, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name.—A. William Joseph Cleary, Junior.

Q. Where do you live, Mr. Cleary?—A. 19350 Monte Vista.

Q. You are the son of W. J. Cleary, formerly purchasing director of Briggs Manufacturing?—A. That's right.

The COURT. How old are you?

The WITNESS. Thirty-one.

The COURT. Married?

The WITNESS. Yes, sir.

The COURT. Children?

The WITNESS. One boy.

The COURT. Were you in the service?

The WITNESS. Five years.

The COURT. Where?

The WITNESS. Well, I started out in this country, and then went to Africa, Sicily, England, France, and Germany.

The COURT. What did you wind up as, a general?

The WITNESS. I wish I did—a captain.

The COURT. What service?

The WITNESS. Medical Administrative Corps of the Army.

The COURT. What school did you go to?

The WITNESS. University of Detroit.

The COURT. Did you graduate?

The WITNESS. 1937.

The COURT. Literature?

The WITNESS. Business administration.

The COURT. A four-year course?

The WITNESS. Yes.

The COURT. You say yes?

The WITNESS. Yes, sir.

The COURT. Did you go to high school?

The WITNESS. University of Detroit High School, I was there three years, and prior to that I spent one year at Visitation High.

The COURT. Where did you live at that time?

The WITNESS. With my mother and dad over on Boston Boulevard.

The COURT. Your father did come from Boston?

The WITNESS. Boston, Massachusetts.

The COURT. What part of Boston did he come from?

The WITNESS. Roxbury.

The COURT. What part of Roxbury?

The WITNESS. Do you know where the mission church is?

The COURT. Roxbury Crossing. He must have been a neighbor of Jim Curley. How old was your father when he died?

The WITNESS. Dad was 63, I think it was, Judge, or would have been 63 in October.

The COURT. He's about 11 or 12 years younger than Jim Curley.

The WITNESS. I think a little younger, I don't remember. Dad was either 62 or 63. He would have been one or the other on his next birthday.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. I will show you Grand Jury Exhibit 1, Mr. Cleary and ask you if you can identify the signature there?—A. Yes, that's Dad's signature.

Q. That's your father's signature. There is no question about that at all?—A. If it isn't, it's an awful good forgery.

Q. And did you know the Whiting family?—A. Whiting? I know a Whiting family.

Q. Well, were they connected with the General Electric?—A. I couldn't tell you. I don't know the family well enough. I know of Bob Whiting and Dick Whiting. They are the two boys. They are golfers.

Q. Did they have a sister, Mrs. O'Keefe?—A. I wouldn't say definitely, because I don't know.

The COURT. What do you think?

The WITNESS. Well, Judge, I don't know. They had a cottage up at Port Huron and I never went to their house. I did see the boys quite a bit. I think they did have a sister, whether it was Mrs. O'Keefe, I couldn't say.

By Mrs. GARBER:

Q. Was their father connected with Westinghouse?—A. I don't know. I didn't know them that well—just casual acquaintances along the beach.

Q. And you don't know if they had a sister?—A. I think they did.

Q. Do you know if their father and your father were good friends or not?—A. I don't know that. I imagine Dad knew them, because their cottage was within two or three blocks on the beach of us. They were there one or two summers, as I remember. I think they rented.

Q. Did you ever go to school with a Miss Whiting? She would be about your age.—A. Not unless way back in grade school or first year high. When I went to U of D High, it was all boys, and when I went to college, there were very few girls, and the ones in my class I know definitely there was not a Miss Whiting.

The COURT. What were the girls' names in college?

The WITNESS. Well, there was Miss Stepaniak—this is stretching my memory.

By Mr. GARBER:

Q. Well, but you are certain none of these girls were of that name?—A. In my particular class, no, there were no Miss Whitings.

Q. And you don't know anyone by the name of Whiting or O'Keefe, that is, it would be Mrs. O'Keefe or a Miss Whiting?—A. No; not to my knowledge.

Q. Would you know why your father would particularly do any business in nonferrous metals with this Mrs. O'Keefe or Miss Whiting?—A. I haven't any idea.

Q. Give her any special consideration?—A. As a matter of fact, I never knew much of what went on in the plant, because when Dad walked out of the office, he left his work there.

Q. He didn't bring his work home?—A. No.

Q. How long was your father in the hospital?—A. He went in the hospital Tuesday, died Saturday.

Q. Had he enjoyed good health previous to that time?—A. Apparently he had very good health. Mother told me he had an attack of pneumonia, or slight pneumonia, a year or year and a half before, apparently when I got home from service he was in good health, because I notice very little change in the five years I was gone.

Q. When did you return from service?—A. I got back in Detroit in September 1945, and I was here about 45 days, and went back to Camp Crowder for, oh, a period of about two weeks for separation, and then got back in Detroit, I guess, arriving here around the first of November.

Q. The first of November 1945?—A. 1945, yes.

The COURT. You were home continually after that. Did your father ever have a tremor in his hand when he would write, anything like that?

The WITNESS. No; I never noticed that.

The COURT. What sent him to the hospital?

The WITNESS. Pardon me, Judge?

The COURT. Why did your father go to the hospital, what illness?

The WITNESS. He died of cerebral hemorrhage.

The COURT. Did he have high blood pressure?

The WITNESS. No. As a matter of fact, he had very normal blood pressure, from all reports we could gather, till he went to the hospital.

The COURT. Did they say what caused that hemorrhage?

The WITNESS. No, we were never able to find out.

The COURT. There was no autopsy?

The WITNESS. No, we didn't have any autopsy.

The COURT. How old was he when he died?

The WITNESS. Sixty-two or sixty-three. I would have to go back and figure it up.

The COURT. Was he worried about business?

The WITNESS. No, no, he wasn't. As a matter of fact, he was in very good health, in very good spirits. We were all back home, things were getting back to normal. We had just bought our own little house, and he was very, very happy.

The COURT. You say "we."

The WITNESS. My wife and I.

The COURT. You are north of the Seven?

The WITNESS. Two blocks north of the Seven.

The COURT. On Buena Vista?

The WITNESS. Monte Vista. That's two blocks east of Meyers.

By Mr. GABER:

Q. You never heard of any time your father ever expressed he had done any business, or was doing any business with the kinds of the wops?—A. Never.

The COURT. Did you ever hear him mention the name of Carl Renda?

The WITNESS. The first time I heard of it was when Mr. DeLamielleure called me one night. When was that, three weeks ago or a month or so.

By Mr. GABER:

Q. You never knew Carl Renda, did you?—A. No, sir.

Q. You never heard of him till you had the conversation with the police officer?—A. The name never registered when he talked to me on the telephone.

Q. You never knew about Albion College or—A. No.

Q. —any football games up there?—A. No.

The COURT. Are you the oldest boy?

The WITNESS. Yes, sir.

The COURT. Are there any other boys?

The WITNESS. Three. My brother, Jim, 28, my brother, Jack, I think he's 22 or 23—22, I believe—and my brother, Dick, age 19.

The COURT. Are the two middle brothers in college?

The WITNESS. No. As a matter of fact, none of them are in college right now. Jim finished Notre Dame in 1940.

The COURT. He is next to you?

The WITNESS. Yes. Just finished his first year at Notre Dame, I think, in 1942, then he went into service.

The COURT. He hasn't returned to college?

The WITNESS. He came back. He got back just about a year ago this time and started school in September in Notre Dame and pulled out at Thanksgiving, because he didn't like school. It was so changed to what it was before the war. So, at the present time, he is not in school. He's here in Detroit.

The COURT. What is he doing?

The WITNESS. Not much of anything. He's working around a little shop we have on East Nine Mile Road, but I think he is going to U of D starting the second semester.

By Mr. GARBER:

Q. I don't know as there is so much more. You never heard either one of your brothers mention the Whiting family at all?—A. Oh, yes, my brother Jim is a better friend of the Whitings than I was.

Q. Do you thing your younger brother might have known this lady we are interested in?—A. I couldn't answer that. I don't know. The Whiting family, as far as I am concerned, were—I shouldn't even say the family, because I don't know the family. I knew the two boys, and of the two, I knew Dick better than Bob. I think Dick was older. If Dick walked into the room today, I probably wouldn't know him. I know they were golfers.

The COURT. You say you are with Ludlow Steel?

The WITNESS. McLough Steel.

The COURT. Where are they located?

The WITNESS. 300 South Livernois.

The COURT. Their main plant is where?

The WITNESS. That's it. We have our mills and our office right there.

The COURT. All right, Mr. Cleary.

(Witness excused.)

# STATE OF MICHIGAN

## IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, January 6, 1947.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

4:10 p. m.

MELVIN BISHOP, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name?—A. Melvin Bishop.

Q. Where do you live, Mr. Bishop?—A. 3030 Rochester.

Q. Where is that, over between Wildemere?—A. Detroit, yes.

Q. Between Wildemere and Lawton?—A. Yes.

Q. You are almost a neighbor of mine. I live on Longfellow near Linwood.—A. I have been there a couple of years now.

Q. Over the years, were you the regional director over there on the east side?—A. Let's see. I was elected in the fall of 1941, and I served until the recent convention at Atlantic City in March of last year.

Q. March of 1945?—A. 1946.

Q. Do you recall when these beatings started over there some time in March 1945?—A. Yes, I recall a number of such incidents.

Q. Do you know whether or not about that time you were negotiating a contract with the Briggs; that is, Local 212?—A. I think we were. As a matter of fact, we were working on a contract there for about two years before we got one.

Q. I see. Well, who did you negotiate with, Dean Robinson or Brown?—A. In most cases with—on the contract we negotiated with this fellow Taylor.

Q. Fay Taylor?—A. Fay Taylor and Koehler—I think a fellow by the name of Koehler.

Q. Koehler. What kind of a fellow is Fay Taylor?—A. Well—

Q. Well, is he pro company or is he a fair man, or is he antiunion, or—just an unbiased opinion, is he fair, try to make a deal or just how easy to get along with?—A. I found him a pretty difficult man to understand. He is not pro union, I wouldn't say.

Q. More pro company?—A. Yes, but on the other hand, this time it wasn't quite as bad as he appeared to be pictured to me before I went in there, or when we first did get in, as a matter of fact.

The COURT. You were working in the plant yourself?

The WITNESS. No, no.

The COURT. You never worked there?

The WITNESS. No.

The COURT. When you went there, you went clearly as a labor representative?

The WITNESS. Yes, I was elected to the board and that plant came under my jurisdiction as a board member.

By Mr. GABER:

Q. Did you ever hear any rumors or have any knowledge about this salvage contract?—A. No.

Q. Did you know Mr. Cleary at all?—A. Not that I know of.

Q. I see. You never heard any rumors about the salvage contract, or did you know there was any change in the salvage contract about that time?—A. I don't know. I have heard nothing about any salvage contract. It's nothing we have anything to do with.

Q. Were you and Mr. Taylor pretty friendly after you got acquainted?—A. Well, I suppose that could be interpreted in many ways. No more than any other employee you never deal with.

Q. I have heard some rumors—I am not trying to put you in the middle or anything—you and Mr. Taylor had some extrajudicial deals, were pretty friendly, is that right?—A. Well, that is not so.

Q. Did you work with Mr. Taylor in order to have some of those boys transferred before they closed down on the automobile deal, so they didn't have to go to school and continued on on their salary?—A. I did not. I have been tried for that a couple of times.

Q. Did you have anything to do with this Ku Klux deal on there with Mr. Taylor?—A. I did not.

Q. Did you ever hear of it?—A. I never heard of it, so far as Taylor was concerned.

The COURT. Where were you born?

The WITNESS. Southern Illinois.

The COURT. What town?

The WITNESS. Livingston.

The COURT. Is that down near Cairo?

The WITNESS. No, it's further north—just east of East St. Louis 30 or 40 miles.

The COURT. When?

The WITNESS. October 10, 1909.

The COURT. And you went to school there, did you?

The WITNESS. Yes.

The COURT. How far through school did you go?

The WITNESS. Through the 8th grade.

The COURT. Then, when did you come to Michigan?

The WITNESS. In 19—early 1929, January.

The COURT. You have been here ever since?

The WITNESS. Yes.

The COURT. When you came here, what did you do, work in some automobile factory on the line?

The WITNESS. Yes. I worked in Pontiac about three months. I had enrolled in the Ford Trade School. I worked there till I was called and went to the Ford Company and went to school there. I went through the Fordson High School at the same time, out here in Dearborn.

The COURT. So you got a high school education?

The WITNESS. Yes.

The COURT. You graduated from Fordson High?

The WITNESS. Yes, sir.

The COURT. All right. I will put this question to you: Were you ever a member of the Klan?

The WITNESS. I was not.

The COURT. Were never asociated with it?

The WITNESS. At no time.

By Mr. GABER:

Q. Do you think Taylor is the type of fellow that would go for a deal to get some hoodlums to beat people up?—A. Well, I don't think so, but, of course—I mean, if that's of any value to you—I wouldn't say that was the impression

that was left with me about Taylor, although Taylor is a tough guy when you are in negotiation with him.

Q. But at least he deals with you at arm's length, you don't think he would take that kind of tactics to win a point?—A. I found this: He might be an awfully difficult guy to sell an idea to, but once he agreed to it, he's generally pretty square after that.

Q. Were you acquainted with the Vega boys?—A. I know the Vega boys.

Q. Were they troublemakers in the union, or for the company in particular?—

A. Well, I think they presented more of a problem to the union than they did to the company, as far as I know.

Q. More of a union problem.—A. We had some problems with them.

Q. And what about this Mrs. Dollinger, do you know her?—A. I know her very well, for years.

Q. What kind of an individual is she?—A. I am afraid my vocabulary wouldn't express it.

Q. Certainly with a high-school education, you can convey your inference.—

A. Well, I tell you, I have known this gal from the early days of our union. She was very active in Flint, in sit-down strikes. She's the most active person—

Q. She was called a Trotzkite.—A. Yes, I think so. I am not sure. Then she went to work at Budd, and she presented quite a problem out there for a long time.

Q. You mean in what way? What way do you mean that?—A. Oh, we had a number of strikes out there, and discharges, and cases before the Labor Board, and she was involved in one, and as a matter of fact, I think she participated in beating up the personnel director, I think it was, out there.

Q. The personnel director at Budd?—A. At Budd.

Q. Is she kind of a hard person to get along with?—A. I find her rather difficult to get along with.

Q. How about Kenny Morris?—A. Well, I don't know too much about Kenny. I know him when I see him, but—

Q. Was he an agitator like the Dollinger woman?—A. No, I don't think—I wouldn't say he could compete with her; no.

Q. What about Snowden? What kind of a fellow is he?—A. Who am I to judge?

Q. Well, what is your opinion?

The COURT. Troublesome?

By Mr. GARBNER:

Q. Quarrelsome?—A. A quarrelsome sort of a fellow; yes.

Q. Was he a Trotzkite?—A. I don't think so.

Q. But he is a quarrelsome fellow, and you had some difficulty with him?—A. Well, he was generally in some kind of trouble, as long as I knew him.

Q. Well, does he fight the union or fight the company?—A. Well, I never found him fighting the company. I found him fighting some individual in the union most of the time, but I don't think poor Snowden knew what he was fighting or when he was fighting. I don't think he's responsible, I mean, if that will help you.

Q. Well, what's your reason—what is your best judgment as to why Snowden and Vega and Dollinger and Kenny Morris were beaten up? Do you think the union is to blame for it or the company?—A. Well, I suspected that there was division among the fellows around the union, but I tried as best I could to find out by talking to people who were friendly with them politically. I never was friendly with them politically. That's how I got myself in a lot of hot water out there from time to time, but I tried to make some checks by fellows who were on friendly terms with them. They couldn't find anything that would indicate that they were slugging it out to that extent, but there was, I understand, considerable dissention among them.

Q. Well, this dissention among them, did that bring about a lot of unauthorized work stoppages out there?—A. No. This happened more or less in the last year, that there was dissention among the whole group—what we used to call the major group in the local.

Q. Well, Mazey and you, of course, were political enemies?—A. Well, we never ran on the same ticket.

Q. What caused such a whale of a lot of unauthorized work stoppages in the year 1945 at Briggs, 1,600,000 hours of unauthorized work stoppages out there.



What caused that?—A. Well, I don't know what caused them. I think they had less strikes probably in 1945 than some other years.

Q. I am talking about 1945. You were in there then, weren't you?—A. Yes.

Q. Statistics show there was 1,600,000 hours approximately of unauthorized work stoppages in 1945. What would cause that amount of time loss out there?—A. Does that represent the greatest amount of hours?

Q. I don't know what the others are, but I am only using that one. That's a lot of work hours.—A. That's a lot of work hours. I think we probably had fewer strikes that year than we had in previous years.

Q. But these are unauthorized.—A. Well, there never has been an authorized strike at Briggs since I had been there in 1941. Every one has been an unauthorized strike, but 1941—Wait a minute—1942, I think, we probably had the most strikes. Now, 1945 I don't recall we had so many strikes of long duration, but we did have more people working for us.

Q. What would cause that to be reduced in 1946, say, 1,600,000 down to approximately a million hours, a reduction in work stoppage?—A. Well, I think certainly the union has learned something out there. I mean, if you knew the background of the whole Briggs Local, as I know it, for ten years back, you would appreciate it, if you wanted to check it, that the union has tried very hard, I mean, tried to get some stability into that local union, and that's been going on, of course, for years, but I know, after I was appointed administrator out there in 1941—

Q. Why were you appointed administrator?—A. The plant was on strike every other day or so, and, of course, I went through my troubles, and I tried the best I knew how to get a little stability out there, and I don't mind telling you I found it awfully difficult, but the board always went along with the same idea, when we were trying to prevail on that group out there, you know what I mean, to follow some procedure, that is, and shut the plant down every time they had a grievance. Other than that, the only thing I would venture a guess on would be the fact the fellow and the group who always provoked the strikes, is now in power, and to provoke them now would only embarrass them, whereas before, the regional director is held responsible, or some opposition local officer is held responsible.

Q. Who are you referring to, the fellow who promoted the strikes?—A. Mazey and his group.

Q. In other words, there were two groups, your group and Mazey's group?—

A. I wouldn't say my group. There's some people that don't agree with Mazey.

Q. Wait. Don't be so modest. You had certain followers, I know a lot of them, have talked to a lot of them.—A. That's right.

Q. Mazey had a group?—A. That's right.

Q. There were two factions. You were the leader of one, and Mazey was the leader of the other.—A. Well, as best I could.

Q. Don't let's be modest in this thing. There were two groups, and one group was more or less attempting to embarrass the other group. You were the one in power. Naturally the more strikes, the more disturbances, the more you were embarrassed, the better. Now, you're out as regional director; Mazey is in; and there's not the reason for striking at the present time.—A. Not only is Mazey in the regional office, one of his boys is local president. Now, if the plant is on strike, they will have to put them back on me, that makes a difference.

Q. Was the Detroit Michigan Stove Works one of your factories that was under your jurisdiction?—A. Yes; it was.

Q. You had some trouble out there three years ago, didn't you?—A. Yes; we had some.

Q. What was that?—A. Well, I am not too familiar with the trouble we had out there. Of course, I can go back to the MESA days and remember when we had trouble out there. I don't recall what all was involved, but I know the fellows working in the plant claimed there was gun play, and whatnot around the plant there. They reported it to the police. We finally won an election out there. They signed a contract. I don't know how they are getting along now.

Q. Were you in that MESA strike away back in 1934, '35?—A. 1934; yes.

Q. Did you know the Perrones back there?—A. I know of them.

Q. Did the Perrones take any part in breaking that strike, or trying to?—

A. Well, there was a lot of discussion about it. I remember talking to Matt Smith one time about it. He said Perrone had every gangster in Chicago over here.

Q. Well, of course, Matt's not a very shy violet in such statements. I used to represent the MESA for a while.—A. No, it was tough going for a while. I

know it didn't get that bad recently, but I think one steward had windows broke out of his house, one thing and another, and another thing, about some guns being flashed around the plant. I don't recall exactly what it was.

Q. Did you ever hear anything to the effect that the salvage contract was given out there to a certain outfit by the Briggs to help control work stoppages and so forth?—A. No, I have never heard anything to that effect.

Q. What did you say your present office is with the union?—A. What's that?

Q. Are you still with the union?—A. Yes.

Q. What is your present office?—A. Director of our skilled trades department.

Q. You are the international representative?—A. Yes.

Q. Well, after you have your contract, more or less negotiated, with Fay Taylor, did you ever negotiate with any of the other officers of the Briggs Manufacturing Company?—A. No.

Q. Did you ever negotiate with Brown, the president?—A. Never.

Q. Was R. J. Thomas out there to help you negotiate this contract, that you recall?—A. I think Thomas came on some grievances one time.

Q. When were these grievances he came out there on?—A. I couldn't tell you. It must have been about 1944, I think.

Q. Who were they negotiated with?—A. With—I think Robinson and Taylor.

Q. Dean Robinson. Do you know whether or not he negotiated any of them with Brown?—A. I couldn't tell you.

Q. Do you know when Brown quit the Briggs Manufacturing Company?—A. No; I don't know. I think—I am not—I couldn't tell you.

Q. Do you know why Brown quit?—A. I do not know. As a matter of fact, I met Brown once, I think. That was out on the West Coast, that's the only time I ever met him.

The COURT. Do you know what we are trying to do here with you?

The WITNESS. What's that?

The COURT. Do you know what we are trying to do here with you?

The WITNESS. I don't know. I have been down here several times.

The COURT. Find out what you ultimately know about these beatings, and what light you can throw on the subject.

The WITNESS. I presumed that.

The COURT. We know considerable about it ourselves, but we want to find out what you know.

The WITNESS. Well, I don't know anything about the beatings.

By Mr. GARBET:

Q. Did any investigation you ever made about these beatings ever disclose who was in back of them, whether it was the union or otherwise?—A. As a matter of fact, the only check I tried to make out there was to find out if the guys were slugging it out among themselves. There was considerable dissension crept into a particular group out there.

Q. What did you find out, were they slugging it out or weren't they?—A. Well, as far as I could find out, they were not.

Q. They were not.—A. They were not.

Q. Well, as a union man were you able to find out why these people were slugged or what was the reason in back of it?—A. I have not been able to find out.

Q. There's a reward being offered, isn't there?—A. Yes.

Q. Do you know how much that reward is?—A. \$10,000 I think.

Q. \$10,000, and that \$10,000 reward has stood for how long now, quite a while, isn't it?—A. Yes. I don't know how long.

Q. So far, even with that reward, they have been unable to find out who beat up these different people?—A. I presume.

Q. Well, you don't know who did it, do you?—A. I do not know.

Q. Well, do you believe now, after your investigation, it was done by one union man against another union man?—A. I have always been inclined to think some of them were possibly done amongst themselves, but I don't think the Dollinger, for example—I don't think they were.

Q. What about Kenny Morris?—A. I don't know too much about his case.

Q. Do you know whether or not these beatings all followed a similar pattern?—A. I hadn't thought of it. From a point of view, I presume they did.

Q. Do you know whether Joe Vega has a suit pending against the Briggs Manufacturing Company or not.—A. To my knowledge, he does not have.

Q. Well, the Labor Relations Board, for reinstatement, do you know whether Art Vega has?—A. No.

Q. Do you know whether Snowden has?—A. No, sir.

Q. Do you know whether the Dollinger woman has?—A. As a matter of fact, I am reasonably sure none of them have.

Q. Well, did they have at the time these beatings took place?—A. No; not to my knowledge.

Q. They had all been discharged by the Briggs, hadn't they?—A. Yes.

Q. At the time they were beaten up—they were not employed at the time of the beatings.—A. Look, there's several different cases. There was three people discharged following my administration in 1941, one of which was Joe Vega, the other was Ken Morris, another fellow by the name of Snively. Now, Dollinger, to my knowledge, was never discharged out there. I think she was a war employee and was laid off with that group. Snowden has been discharged so many times—I don't know how many times the fellow has been discharged. I got him back in the plant several times after penalties, but he wasn't actually discharged the last time. He just failed to show up for work for thirty days or more, and under the contract it automatically terminated itself. I think he went to—if you check, he went to the state convention in Muskegon, and did his usual drinking up there, and never reported back to work for a month or possibly more. I don't believe he's worked in the plant since.

Mr. GARBER. Well, I guess that's about all, your Honor, unless you have some questions.

The COURT. Is there anything further than the questions we have put to you and the answers made by you, that you know of now, that will throw some light on these beatings?

The WITNESS. No. The only thing that I have—as I say, I thought possibly it was among themselves. I have some reason to think that, you see, because I got pushed around there something awful for a couple of years, and you know, when the boys really will go to work, they go to work pretty fast, and then when it was reported that that groups was on the outs among themselves, I presumed probably that was going on, except later on, I thought it was going too far, I didn't think the guys would go that far, but other than that I would have no idea.

By Mr. GARBER:

Q. What groups do you think were going too far? You say you thought some were going too far, what groups?—A. I am talking about what used to be known as the old Maze group in that local union. There developed a split among them here a year or two ago.

Q. First it was your group versus the Maze group.—A. That's right.

Q. Then there was a third group that came in, that was a split of the Maze group.—A. That's right.

Q. You ought the two Maze groups were fighting one another?—A. Well, I was told they were using some pretty bad language towards each other.

Q. Is that when you made your investigation?—A. I made that after it was charged up and down Mack Avenue that I was responsible for it.

Q. You were accused of being back of these beatings?—A. That's right.

Q. Then you made some investigation to see what was going on between the two Maze groups. Were you able to find out the Maze groups had anything to do with these beatings?—A. No, I didn't.

Q. Well, did the Bishop group have anything to do with it?—A. No. As a matter of fact, the Bishop group has pretty much disintegrated.

Mr. GARBER. Well, I guess that's all. All right thank you very much for coming down.

(Witness excused.)

---

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

Misc. No. 72052

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the county of Wayne.*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Tuesday, January 7th, 1947.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

FRANK C. SALVIDGE, being by the Court duly sworn was examined and testified as follows:

Examination by Mr. GARBER:

Q. Do you want to state your full name?—A. Frank C. Salvidge.

Q. Your address, please?—A. 12017 College, Detroit 5.

Q. Under the date of December 21st, you wrote a letter to the Honorable George B. Murphy, requesting an opportunity to talk to the Judge, is that correct, Mr. Salvidge?—A. That's right.

Q. And what is your business, please?—A. I run a private detective agency.

Q. How long have you been running such detective agency?—A. About 15 years.

Q. And where is your office located?—A. Seven Mile and Gratiot, 14196 East Seven Mile Road.

Q. And you have been in that business how long?—A. Around 15 years.

Q. Previous to that, what was your work?—A. Deputy Sheriff.

Q. What County?—A. Wayne, here.

Q. Wayne County.

The COURT. Under who?

The WITNESS. Under Ira Wilson, and I served one term under Wilcox.

By Mr. GARBER:

Q. Well, in the course of your operation of this private detective agency, were you ever engaged to do any work in the Thompson case?—A. Yes; I was.

Q. The famous one, where Lydia Thompson was murdered?—A. Yes; I was.

Q. By who?—A. Victor Thomas, Louis Thomas, anyway.

Q. Louis Thomas?—A. It's Louis Victor.

Q. Who was Louis Victor Thompson?—A. The husband of Lydia Thompson, the one that was killed.

Q. Do you remember when you were employed by him, approximately?—A. It was the next day he got out of jail. He was home.

Q. You mean it was after the murder of Lydia Thompson?—A. That's right.

Q. Did you ever see Lydia Thompson in her lifetime?—A. I did not.

Q. But you were employed by her husband, Louis Victor Thompson shortly after her murder, is that correct?—A. I think about twelve days.

Q. Do you recall what date her body was found? Well, the day is October 13th that her body was found.—A. That's right.

Q. Do you remember what day of the week that was?—A. Saturday.

Q. That was a Saturday?—A. That was.

Q. She was not definitely identified till the following Monday, which would be the 15th.—A. That's right.

Q. When was Mr. Thompson arrested?—A. He was taken into custody on the 15th.

Q. On Monday?—A. On a Monday.

Q. How long was he held?—A. Approximately nine days.

Q. That would make it approximately the 24th.—A. Yes. If you let me make a telephone call, I will tell you exactly the date I entered the case.

Q. We are getting close enough. Somewhere around the 25th of October 1945?—A. That's right.

Q. Then, what was the purpose of your being engaged in the investigation of this matter?—A. Well, the purpose was that—frankly, I went to Gocarr, his partner, Thompson's partner—

Q. What is his first name?—A. I can't tell you. I don't know.

Q. Did you know Mr. Gocarr?—A. No.

Q. I see.—A. After the case came out in the papers, I become interested, four or five or six days, they kept hitting this case, hitting it, and I become interested in the case. I went out to see Mr. Thompson's partner, Mr. Gocarr. I had lunch with him across the street from this agency, out there on Hamilton—Hamilton and Ford.

Q. Yes.—A. And I talked to him. I did not see Thompson that day. The next day I went back and seen Thompson and was hired.

Q. Where did you talk to Thompson?—A. In the restaurant across the street and in his own private office, too.

The COURT. That's before he was arrested?

The WITNESS. Afterwards.

The COURT. After he got out?

The WITNESS. Yes, after he got out.

By Mr. GARBER:

Q. And you had a conversation with him at the restaurant and at his own private office?—A. Yes.

Q. And that was the time you were employed?—A. I was employed.

Q. And in the course of this conversation, what was the reason that Thompson hired you, that's what I am trying to get at.—A. Well, that was before the State Police came into the investigation.

Q. Yes.—A. And the sheriff's department out there—of course, Thompson felt at that time, or claimed to feel at that time, he didn't think the sheriff's department was equipped with experienced men to handle that investigation, and that's the reason why he took me.

Q. I see. He wanted to hire you, so he would have an efficient man to help with the investigation?—A. Yes.

Q. He had no confidence in the sheriff's, Mr. Thomas, out there in Pontiac?—A. That's right.

Q. On that basis you were hired?—A. That's right.

Q. That's approximately ten or eleven days after the body of Mrs. Thompson was found?—A. Yes.

Q. Now, what did you do? Give us the details of your investigation?—A. It's going to take a long time.

Q. I think the Judge will give you the time, and we would also like to have you wind up with your conclusions. After all, you spent weeks on this.—A. I spent months.

Q. Tell us what your investigation led to, and what you believe?—A. Well, I am sure it was on a Wednesday when I made the final arrangements with Mr. Thompson to go out to Pontiac and investigate this case.

Q. Yes.

The COURT. How many days was that, now, after the body was identified?

The WITNESS. Judge, I would say it was between eleven and fourteen days.

The COURT. All right.

The WITNESS. I mean, as close as I can make it, without calling my office. So on Thursday, I went out there on Thursday. I went to Pontiac, met Sheriff Thompson. It was late in the afternoon when I got there, so I walked into the jail, met Sheriff Thompson, and he promised to cooperate with me. So I asked a young fellow by the name of Johnny Burns of the Times, I believe, he was representing the Times out in Pontiac, to take me out to the scene of the crime, I mean where the body was found. So they took me out there, I looked the place over—

By Mr. GARBER:

Q. That's a little cut in the road?—A. Yes; it's back through a wooded section.

Q. Second growth timber all in through there?—A. Yes.

Q. Go ahead.—A. So we go back in approximately, I would say it could be almost about a quarter of a mile, I would say, and the young fellow stopped, and he showed me a small tree. There was another little lane, just a lane, I would call it a wagon lane, cutting off this main dirt road, that went into this woods, and about from here to the door over there, approximately—I don't know what you would call that, there was a tree, a tree about that large. There was an impression in the ground where Lydia's head was supposed to have laid at first. There's no doubt it was there. There was a little blood, not very much. It seemed this blood has soaked down into the ground.

Q. Were some leaves under the body?—A. Some leaves? Not at this particular place, there wasn't. There was dead grass—well, it was October, there was still a little grass, and the leaves hadn't begun to fall too much. So then, they drug this body—I mean this is where it first fell. It seems to me there was a car drove up in this little lane, and they just reached in and pulled this body out, out of the car door, and the head fell here, this is a tree, the head fell here, and the feet would be laying out in this little lane, and it seemed to make that impression, they must have put their foot or some object on her head, because just her head striking there wouldn't make that much of an impression in the ground that was there. So then they drug this body approximately 18 feet back in from this little lane, where it first fell, just under a little sapling tree. Of course, there wasn't anything there. It had been twelve to fourteen days, and I guess about two-thirds of the people of Pontiac had been out walking around, looking the place over.

Q. Including Ralph Garber.—A. So then there was a swamp, I would say, about 30 or 40 feet, maybe further, from where this body had laid, I mean, where

they found the body, and there was water in this swamp at the time. Anybody could have thrown an object in the swamp and it would have gone down. So I looked over the scene there. So then I wanted to go up to these people, who lived up in the wooded area. Right now I can't recall their name.

Q. They are the people that lived at the end of the lane, where you turned in?—A. Yes. I believe their name is Orman, I wouldn't say for sure. Anyway, I went up there and talked to the lady and a young fellow, guessing, about 20 years of age, and husky, and at one time he must have been in the Army, because he had on an Army shirt. I think he had on a pair of Army pants. I talked to them. They didn't seem to know anything, except the body was found down there. They didn't know anything about it. So I went back into Pontiac, and the next morning had a nice talk with the sheriff. He said, off the record, he would give all the cooperation that he could. At this time they were putting a lot of pressure on him to get the State police. He thought he was able to cope with the situation. So I looked over a few notations I had made. I called one of my men, Larry Dolson, so we went into Highland Park—we left Pontiac and went into Highland Park, and started to talk to a Mrs. Fannie Coco, also a Mrs. Gentile.

Q. What nationality is Mrs. Coco?—A. Italian.

Q. And Mrs. Gentile is also Italian?—A. Italian, and I believe I am pronouncing this other name right, Litonia.

The COURT. Why did you take that lead?

The WITNESS. Because, Judge, they had been with Lydia Thompson the night before she was killed.

By Mr. GARBER:

Q. Now, are the Gentiles, the Cocos, and Litonia—they had all been with Mrs. Thompson the night before?—A. That's right.

Q. That is, the three women?—A. The three women and Mr. Gentile came back to the house, and Mrs. Thompson was at the Litonia's house that night, the night before she disappeared.

Q. Where was this Litonia house located?—A. It's a funny thing, it's on Thompson Avenue out there.

Q. Thompson Avenue, in Highland Park?—A. Yes.

Q. Near where?—A. I believe that's Davison comes through there, about two doors down from Mrs. Gentile.

Q. What day are you talking about that Lydia Thompson stayed all night at Litonias?—A. She disappeared on the 11th. That would make it the 10th.

Q. That is October 10, 1945, according to your investigation, Mrs. Thompson stayed at the Litonia house?—A. Yes.

Q. And Mrs. Litonia is related to Mrs. Coco and Mrs. Gentile?—A. All three sisters.

Q. All three sisters?—A. Yes.

Q. What size woman is Mrs. Litonia?—A. Mrs. Litonia, guessing, I would say about 130 pounds—no, she's short, but she's chunky—about 140 pounds.

Q. Rather short, chunky, dark or light-complexioned?—A. Sicilian.

Q. How large is Mrs. Coco?—A. Slightly taller than Mrs. Litonia, and also weighs, guessing, around 135 pounds.

Q. How tall is Mrs. Gentile?—A. She's short.

Q. Shorter than Mrs. Litonia?—A. That's right.

Q. Quite heavy?—A. Yes.

Q. I see. So you have Mrs. Thompson at the home of Mrs. Litonia, on Thompson Avenue, in the City of Highland Park, on October 10, 1945?—A. Yes.

Q. All right, go ahead from there.—A. So I didn't ask too many questions the first trip down to these people, so I went back. I stayed at the Pontiac Hotel.

The COURT. These three Italians are three Sicilians, and they talk English?

The WITNESS. That's right.

The COURT. Broken English?

The WITNESS. Mrs. Litonia doesn't talk too good English. Mr. Litonia does, and Mrs. Coco does.

The COURT. I see.

The WITNESS. But I went back to Pontiac.

The COURT. About what age are those people?

The WITNESS. Well, I will guess again.

The COURT. Approximately.

The WITNESS. Mrs. Gentile, I would say, 47 or 50. I really believe Mrs. Litonia is the youngest. I would say she's around 38. Guessing, Mrs. Coco,

I would say, 41 or 42. Now, there's an older sister in there, but she wasn't connected—I never connected her with this case whatever. So I went back to Pontiac.

The COURT. The next day?

The WITNESS. No; I stayed out in Pontiac on this case. I mean, after I talked to these people, the Cocos and Gentiles—

The COURT. You talked to them in the daytime?

The WITNESS. Well, late in the afternoon.

The COURT. And returned to Pontiac?

The WITNESS. Returned to Pontiac, and I called Thompson and told him I wanted to go through his home the next day, the big home out there on the lake.

By Mr. GARBNER:

Q. How do you approach that home? How do you go from Pontiac to that home?—A. Well, I get lost every time I drive. The way I go, I go out Woodward Avenue to—you know where you cut off through Birmingham there?

Q. Yes.—A. Go to the first red light, it's supposed to be the 15-Mile Road, and I believe it's Waltham—they call it Waltham, but it's the 15-Mile Road—cut left—

Q. Waltham Boulevard?—A. I believe that's what they call it. There's a red light; cut left and go to, I believe that is Telegraph. I am quite sure it is. Turn right, go down Telegraph a little ways and you cut down that lake road.

Q. Orchard Lake Road?—A. That's right, right down beside the lake to this home.

Q. How far is the home back from the road?—A. It would be—the lake is right there.

The COURT. Does the home have lake frontage?

The WITNESS. Yes. Say this is the lake here, the house is sitting back here. This is the house. That's the Lake Road. It has a big lawn.

The COURT. The road is not between the house and the lake?

The WITNESS. Yes; it is.

The COURT. The road skirts the shore of the lake?

The WITNESS. Yes.

The COURT. And the house is on the other side of the road?

The WITNESS. That's right.

The COURT. So to get to the lake, you have to leave the house and cross the road to the lake?

The WITNESS. Yes.

By Mr. GARBNER:

Q. Are there any other houses near there?—A. Oh, let's see. The seminary is to the right of the place, and then there's some homes to the left of it, but I would say, oh, there's a good three big lots, yes, four big lots in between the houses, and the house sits out there almost alone, you know what I mean, and then there's a swamp back of that house, trees, and there's kind of—going to the left there's woods, and then this big seminary on the right of the place.

Q. Does the house sit on rising ground?—A. This house?

Q. Or on the level?—A. I would say level, quite level, because there's a swamp in the back of it, see, and this seminary seems to take up quite a lot of the ground in there; I mean it covers quite a lot of the ground. Anyway, Mr. Thompson came to see me that night.

The COURT. Where?

The WITNESS. My hotel, the Pontiac Hotel, and said, "All right, we will go out to the house the next day." At two o'clock in the afternoon, he came over to the Pontiac Hotel and we went out to the house. Now, I had one of my men, Chester Skarnupski—

The COURT. How do you spell that?

The WITNESS. I don't know. And I had this Robert Burns with me, or Johnny Burns, what he's called, the man from the Times. I started to search this house. This home, the way it is laid out, you go in and there's kind of a recreation room, there's a pool table in there, there's a bar built in, there's a little place I call it a kitchen. I guess you call it the workbench, but it has a stove and cupboards in there, I call it a kitchen, and off from that room another room could be called the dining room. Then, down little steps there's a furnace, an oil furnace; over to the left of that there's a big swimming pool. It's a place with no basement.

The COURT. The house?

The WITNESS. The house.

By Mr. GARBER:

Q. Tell me about this swimming pool, how big a swimming pool is that?—A. Quite large.

Q. As large as this room?—A. Oh, no, no. It's almost as wide as this room, but longer.

Q. What kind of drainage does it have?—A. Well, at both ends, there's drainage.

Q. And where does that drainage run into?—A. I suppose into the sewer and into the lake.

Q. It could run into the lake?—A. I suppose.

Q. That swimming pool can be filled and drained?—A. That's right, sure.

Q. And it has a valve, and so forth, for draining it?—A. Yes; that's right.

Q. All right; go ahead.—A. So I looked over the bottom part of the house, and went out into the garage, and in the grain barrel we found I think it was, I think it was, three pints of Imperial Whiskey buried in this grain barrel. This grain is what they used to feed birds. She used to feed the birds out there—buy this grain. Then after I got through—

The COURT. Three quarts of Imperial Whiskey?

The WITNESS. Yes.

The COURT. Full quarts?

The WITNESS. Pints, Judge.

The COURT. Full?

The WITNESS. The seal wasn't broken.

The COURT. Sealed?

The WITNESS. Of course, in this bar, he had anything you want to drink.

The COURT. Besides that?

The WITNESS. Besides that, he had Scotch, he had V. O., and the cheapest whiskey he had in there—I would say the cheapest was Imperial. He had one pint bottle of Imperial in his bar. Then he had a lot of these drinks you would make mixed drinks out of.

By Mr. GARBER:

Q. Was Thompson living there at that time?—A. Part of the time he would go back, part of the time he wouldn't. Part of the time he would live up over this laundry.

Q. On Hamilton?—A. On Hamilton.

Q. Did she live out there alone?—A. She lived out there alone, unless some of her girl friends went out.

Q. Thompson was not supposed to be living there?—A. He was away from there. So we went upstairs—it's one of these houses, I don't know what you call it, but anyway, you go up and hit another level. I wouldn't call it stairs, because it isn't stairs. The doggone thing is steps up. I don't know what you call it, but anyway, that's the way that house was built. There's a big living room up there, and we went over this living room, and we really went over it. I found nothing in this living room that really interested me, except, I think, one letter I got.

By Mr. GARBER:

Q. Was that a letter to her?—A. It was a letter, yes, from her father.

Q. A letter from her father. It wasn't her handwriting?—A. No; a letter in her dad's handwriting.

Q. All right.—A. So then you go up a couple more steps, and you come to another dining room there. There was nothing in this dining room at all, I mean, that interested me. I mean, we were really completely through it, and this telephone booth went off the dining room. Then you walked into the kitchen. Now, in this kitchen there is a Frigidaire, and there was meat left in there since she had been dead.

Q. Cooked?—A. No; just raw meat.

Q. Was the refrigerator running?—A. It was running.

Q. Connected?—A. But it was spoiled.

Q. Were there any signs of anyone having eaten there, dirty dishes?—A. No; there wasn't. Of course, he used to go out there himself, I mean, after the murder, but there wasn't any signs. I unwrapped this meat. It was just meat. I wanted to make sure if it was really meat. We unwrapped it. Then that's one of these Frigidaires that has one of these potato bins, too.

Q. Yes.—A. That Frigidaire sits off the floor like that, too.

Q. Two or three inches?—A. Two or three inches, and I pulled out this potato bin. I put my hand back in, you know, underneath the Frigidaire.



I felt in there, felt all around—not only myself—this Johnny Burns done the same thing.

Q. The Times reporter?—A. Yes.

The COURT. You mean, you put your hand under the floor of the Frigidaire—between the floor and the Frigidaire floor?

The WITNESS. Yes. So when we went in there, I had it made up with these two boys, when I checked something, they were supposed to come over and check it, and the other man was to check it. It was a three-way check. You can miss things, it has been done. All three of those men felt under that Frigidaire. So then we looked through there, there was nothing he would claim was missing at all, that Thompson said—he said nothing was missing. I found nothing at all except he had a lot of letters and stuff laying on the table, and he had been sorting out these bills. So, there was two or three more letters from her father. I asked if I could have them—they were in Russian. He said yes. I took a few more letters—some of them he didn't see me. I mean, letters to Lydia Thompson, people that wrote to her. So then we decided we should have a bowl of soup, so he fixed up some mushroom soup. So then, after we got through eating, we turned and went back to the bedrooms. Now, the best I remember, let's see, there was one, two, three bedrooms, and a room that you would call—I suppose it was built for a bedroom, but it was a catch-all.

Q. A storeroom?—A. Not really a storeroom, but things she wanted to put in there. You could call it a storeroom. I combed these rooms, found nothing. I found some old letters, old Christmas cards sent to her. I got nothing out of the house at all, except there was some spots in that house that I was debating whether they was blood or wasn't. That was downstairs on a carpet. It was these throw carpets they had. Finally I made up my mind what the spots were. There had been some varnishing done, that was what the spots were, so the best I can remember, I took, from two till nine o'clock—two in the afternoon till nine, looking over that house. Then I went back, I mean, I went back to the hotel, and we talked till about ten-thirty or eleven o'clock, and I mean with Thompson. Then he left, went back to Detroit. I suppose he went back to Detroit or Highland Park, so I was tired and went to bed that night. Of course, I had my hotel room there. My man went back to Detroit that was with me. So the next day I went over—I wanted this sheriff to drain that pond out there, because I thought there might be something in that pond.

Q. That's the pond near where the body was found?—A. Yes. So there was some news reporter there, so he decided—the sheriff decided, I suppose, it would make a good story when it came out in the paper, the pond being drained. All I was interested in was getting the pond drained. I wanted to see what was in that pond. So we went out to drain the pond Sunday morning. They brought their equipment out, the pumps wouldn't work. So then this story broke about the Gentiles that were arrested.

Q. Gentile?—A. Not Gentile, Gentilo.

Q. That's the barber?—A. The barber and lady were arrested. Naturally there was headlines out. The sheriff thought there was not much use to drain this pond, but anyway he went ahead to drain this pond. He got the water out—it was still that deep and leaves in it. He sent a couple of deputy sheriffs out, raked over the top and said there was nothing in it. Well, on a Monday they came out and asked me what I thought about this arrest that was made in Detroit, and I told them I hoped it worked, but I didn't think it would. I got hold of Charlie Searle, from the Detroit Police Department. Him and I are quite friendly. He seemed to think at that time it was the goods—they had the people that killed Lydia Thompson. Anyway, I went back Monday and brought Mr. Dolson out again with me, and we started to question the Cocos, Latonias, and Gentiles.

The COURT. Who is Mrs. Dolson?

The WITNESS. One of my men, Larry Dolson. So we started to question Mrs. Coco, Mrs. Gentile, and Mrs. Latonia. I figured the men would be away from home. I wanted to talk to the girls. I kept going around. I would see Mrs. Coco for 15 or 20 minutes, then I would go and see Mrs. Latonia, and then I would go and see Mrs. Gentile, and I had my men making the same rounds, except when I would leave the Coco place, I would meet him outside, and give him what she told me, and he would go in and question them. See, there was some whiskey left in Mrs. Thompson's car, wrapped up in a newspaper, in the compartment of the car, and it was two quarts of Kentucky Tavern, what

the whiskey was. I couldn't find any of that kind of whiskey in the Thompson's house at all, so I asked the sheriff about it, and he said, "Oh, well, that whiskey is not important anyway." I said, "It may not be important to you, but it is to me. I want to know where she bought that whiskey." He said, "It's impossible. There's too many liquor stores." I said, "I want to find out." Anyway, I talked to Mrs. Coco and I asked her what time, the night, you know, she stayed with them—

By Mr. GARBER:

Q. The tenth?—A. I asked them what time they got up. She told me they got up—they had some children going to school, Latonias did. They had to get up because the kids woke them up. They had something to eat, and they stayed around till the bank opened. Mrs. Thompson went to the bank that morning. It's right there near Gentile's home. She went to the bank, drew out some money. I asked Mrs. Coco what she was doing at the time. She said she went along. She went over to the bank with them. She said, "I sat right inside the bank door. I didn't pay any attention to what Lydia was doing." I asked what time she left Lydia. She claimed Lydia drove her home.

The COURT. Could Lydia drive?

The WITNESS. Oh, yes, she could drive that Buick she had. Lydia drove her home, and was supposed to drop Mrs. Coco off, which there is no doubt in my mind she did, because I picked up her trail afterwards, and she went to that laundry she had.

By Mr. GARBER:

Q. That's on Hamilton?—A. That's on Hamilton, right near Ford. She went to that laundry and she went upstairs. See, there's no phone in the laundry. She wanted to make some phone calls, so she went upstairs.

The COURT. Was she running the laundry?

The WITNESS. Yes, it was hers. She had a negro person helping her. She was the boss.

By Mr. GARBER:

Q. Do you know when Lydia learned to drive?—A. When she got that Buick.

Q. When did she get that?—A. Mrs. Steele told me. I don't remember.

Q. She had been driving just a short time?—A. Six or seven months.

Q. Previous to that she couldn't operate an automobile?—A. No, absolutely she could not. Lydia Thompson was this kind of a driver. She would be driving along, and if you were sitting in the back seat, and if she thought of something she wanted to say, she would take her hands off the wheel and turn around and talk to you. Now, she's done that. I have witnesses who claim she has done that. But anyway, where was I?

Q. You had her phoning at the laundry.—A. She went to the laundry, made a few phone calls. She came back down—

The COURT. How do you know she made them?

The WITNESS. Well, I mean, she told the negro girl, she is going up to use the phone. I assume she did. So she came back down to the laundry, and then she went across the street. This was sometime between eleven-thirty and twelve o'clock or shortly after noon.

The COURT. On the eleventh?

The WITNESS. On the same day she disappeared. She had talked—she went into the car place across the street. She saw Victor Thompson—she saw Gocarr anyway. I guess Vic was there, too.

The COURT. She saw her husband?

The WITNESS. Thompson is her husband. Gocarr is Thompson's partner. So she came out, went back to the laundry temporarily, and she had a—well, I mean, she had a piece of paper that was supposed to have a name wrote on it.

The COURT. Supposed to have what?

The WITNESS. Have a name wrote on it, she couldn't make out this name; she went in and asked Hattie, that's Mrs. Stubbs, the negro. Hattie couldn't read very good, either. She couldn't make it out. She went down the street three or four or five stores away, and went into a grocery store and asked this man—

By Mr. GARBER:

Q. What's his name?—A. An Italian name, something like Perrela, on the same order as that. It's an Italian fellow. I got it in my office.

Q. All right.—A. So he was busy. He told her he didn't have time, so she went to the telephone book and tried to look up the name, and couldn't find it

in the telephone book, so she got mad at this grocer because he wouldn't take the time, and she bought some groceries there at the time she was in there, and also bought a loaf of bread, this Russian bread, what do they call it, hard-tack, some kind of black bread. She bought this bread.

Q. That's from this Italian fellow on Hamilton Avenue in Detroit?—A. The grocery store—wait a minute, that's Highland Park. Then she next entered Mrs. Steele's apartment.

Q. What's Mrs. Steele's full name?—A. I couldn't tell you.

Q. Where is her apartment located?—A. Right on the corner of Ford and Hamilton.

Q. In the City of Highland Park?—A. Yes.

The COURT. Is Mrs. Steele an American?

The WITNESS. Scotch.

The COURT. Scotch?

The WITNESS. Very much so. So she walked into this apartment and she didn't stay very long. Mrs. Steele tried to get her to eat. She said no, she wasn't hungry, but she had broken off a piece of bread, and was eating this bread, and she had a blue bag—not a pocketbook—it's a blue bag like women carry. You would almost call it a little shopping bag. So she sat down in a chair, and she wasn't very—I mean she wasn't happy. There was something bothering her, and Mrs. Steele asked her, she said, "Lydia, what's the matter," and Mrs. Steele said she shook her head and said, "If you only knew the half of it." So she left through the back door there about fifteen minutes after 1:00 a. m.—I mean, afternoon, p. m.

Q. October 11th?—A. She left. I traced her out of there. She went down the alley towards the Cocos, because that's Auburndale going back to the left, and I have lost track of Lydia Thompson then from about 1:15 till approximately three o'clock. I was under the impression she went to the Cocos. They deny it. They said she wasn't back there, didn't come back to the house. I picked up her trail again in the afternoon when she went to Green's drug store and bought this whiskey. I found where she bought the whiskey.

The COURT. The Kentucky Tavern?

The WITNESS. That's right. She bought this whiskey, Kentucky Tavern. I asked him if they used their ration books. He said, "Well, I guess so." He knew Lydia Thompson quite well. She didn't have a ration book there. Anyway, it wasn't stamped in the books, when the books were found. Anyway, I lost track of her there again, between three and three-thirty. At four-thirty the Cocos—at four o'clock Fannie Coco said Mrs. Lydia Thompson entered her house, stayed till about four-thirty.

By Mr. GARNER:

Q. How did she fix that time for you?—A. That's Fannie Coco for you. She just said that.

Q. She said she came in?—A. What she says. Anyway, I asked her what time did she leave. She said about four-thirty. So the next trace—and she was supposed to drive away in her Buick car. The next trace I had of Lydia Thompson is when she entered this—at Woodward and Grand, that telegram office. She sent a telegram or cablegram to Russia at 4:39.

Q. At 4:39 in the afternoon?—A. That's right. Then I lost track of her there. Of course, that's on Woodward towards home.

The COURT. Did you get a copy of the telegram?

The WITNESS. No, they wouldn't give it to me. They gave it to the State Police.

The COURT. See, the telegraph office only keeps the telegrams six months.

The WITNESS. It was a cablegram.

The COURT. A cablegram, but the State Police got it?

The WITNESS. Yes.

The COURT. You can pin down, she actually did it?

The WITNESS. Yes, that was the eleventh, and they got the cablegram, they picked that up about 4 or 5 days after they entered the case, the State Police. I couldn't get any check of her eating at all. I really canvassed the places out Woodward Avenue. The Wigwam, where they claim she had her last meal, the waitresses don't remember. They just picked out that place as being the most logical place for her to eat, but I took 2 day's time checking. I finally picked up her trail from a young priest, or a young fellow studying to be a priest at the seminary.

The COURT. What seminary?

Mr. GARNER. Orchard Lake.

The WITNESS. Orchard Lake, Judge. It's a school. He claims on the night of the eleventh—he claims it was around 6 o'clock, a quarter till 6, that he was behind Lydia Thompson's automobile, and he said that the reason he remembered it was, because she would not get over. It was a narrow road. She would not get over and let him pass, and he was in a hurry, he had to be back at 6 o'clock, had to be back to the seminary. She wouldn't get over. He had to follow her up to the house. She turned in. Then, naturally, he could pass.

By Mr. GARBET :

Q. Did he ever say she was driving that car, or it was her car?—A. He said it was her car. Another thing, the reason I think the young fellow wasn't lying about it, he knew the license number. If you ever heard the license number once, you wouldn't forget it—MT and four deuces.

Q. I am not debating it. I also talked—I didn't. Somebody else talked to the same chap you are talking about. As I get the story, he was sure of the car. As to who was driving it, he couldn't swear to it.—A. Well, I talked to the head priest out there, you know, and he said the young fellow made a statement to him and also to the State Police he knew it was Mrs. Thompson.

Q. We will let it ride at that. There is no question about the car in either case.—A. No question about the car.

Q. But there was some question as to who the driver may have been.—A. But anyway, from that time on, I really couldn't place Lydia Thompson.

Q. Now, let me ask you this: How long would it take Lydia Thompson to go from this place to Pontiac?—A. Grand and Woodward? I tried it 3 times and I tried to drive like I thought Lydia Thompson would drive. One time it took 41 minutes, one time it took 43 minutes, and one time it took 47 minutes.

Q. From her house?—A. From Grand and Woodward.

Q. No, we are talking about from where her house is. How long would it take to drive from Orchard Lake into Pontiac?—A. Well, I never tried to drive like she would drive.

Q. You have a pretty good idea.—A. About 15 minutes, I would say, according to the way she took around.

Q. Would it be possible for her to be at Orchard Lake at a quarter to 6 or thereabouts, at her house, and be in Pontiac, and have time to have a sandwich and cup of coffee, make a phone call and meet somebody at 10 after 6?—A. A. It's possible, because here, Lydia Thompson changed clothes when she went home; we know that.

Q. How do you know that?—A. Because she had on one dress—I mean, it was kind of a wine-colored dress—it wasn't red—reddish, but wine colored.

Q. Yes.—A. And she had on a different coat altogether when she was found.—A.

Q. When she was found?—A. Yes.

The COURT. You mean, she had a wine colored dress on when she was visiting?

The WITNESS. When she left Highland Park.

The COURT. And when she died—

The WITNESS. She had on kind of a suit—I mean, a skirt and blouse.

The COURT. What color?

The WITNESS. I would say either black or dark grey.

By Mr. GARBET :

Q. What kind of coat did Qshe have on when she was at the Coco's?—A. A good coat.

Q. A fur coat?—A. No; not a fur coat. It was not the coat she was found in.

Q. She had a fur coat on when she was found?—A. No; I wouldn't call that a fur.

Q. What would you call it?—A. I saw the coat.

Q. I have, too.—A. It's a brown—I don't know what you would call it.

Q. I would call it fur. It might not have been good fur, but it was fur.—A. I wouldn't call it that. I would call it more or less—what do they call these doggone things—but it was a brown coat.

Q. Kind of curly, looked something like fur. Kind of long curly fur, what I call it.—A. Something like one of these here black dogs.

Q. A water spaniel?—A. Yes, except it was brown.

Q. You think that would be impossible?—A. It would be, yes.

Q. How late do you think she could have—if this was at twenty minutes or a quarter to six, how long do you think it would take her to get into the center of Pontiac?—A. Change clothes?

Q. Well, I don't know.—A. Well, I know she changed clothes. I am aware of that.

Q. You don't know when?—A. Maybe she went into Pontiac and came back.

Q. She left at four-thirty.—A. That's right. I have her going in there at a quarter to six.

Q. You figure that would be an hour and fifteen minutes later, you have her out near her home, after she had stopped and sent a telegram or cablegram?—A. Yes.

Q. Then you think, in 25 minutes she couldn't possibly have changed from her dress into this suit, and driven into the center of Pontiac, had a sandwich, a cup of coffee and made a phone call, and been picked up at ten after six. How late would it be, for her to do those things?—A. I would say 45 minutes.

Q. It would have to be around six-thirty. That's about as early as she could do it?—A. She fed the dogs.

Q. How many dogs did she have?—A. Three.

Q. What kind of dogs?—A. I don't know, just dogs.

Q. Sandwich dogs?—A. Another thing, where was a flashlight found.

The COURT. What?

The WITNESS. There was a flashlight found, you know what boy scout flashlights are. That was laying on the outside of the door, not inside. That was laying on the outside of the door.

By MR. GARBER:

Q. The front door?—A. What she used as the front door, so she left that house before dark.

Q. She might have left it there to get her key when she came back.—A. They had big lights.

Q. Were they burning?—A. Yes; these big night lights, they were always burning.

Q. Let's continue your investigation. I sidetracked you a little bit.—A. After that I went back to the Coco's again, I mean, after I talked to them, I found Lydia Thompson the day before, I mean, on the tenth, had tried to get Fannie Coco's daughter—she's about 15 or 16—to buy some whisky for her. The kid said no, she didn't have any stamp; if she did, they wouldn't sell it to her. So she bought this whisky herself.

Q. That checked on the whiskey?—A. That cleared up the whiskey proposition.

Q. All right.—A. Then I got sidetracked by one of these letters. I went to Owosso, Michigan, some people that had saw Lydia on the train going to Florida, when she went down. That investigation proved out it didn't mean anything, and I came back to the Coco's again. This time, this big story came out in the paper, they were hammering on this Gentile barber, so naturally it kind of put off my investigation with the Cocos and Gentiles. So then I go back to them again. Sam Coco tells me—

Q. Sam, who is he?—A. Salvator Coco, that's Mrs. Coco's husband—

Q. Yes.—A. He tells me, "Look, Detective," he says, "I am a war veteran, and I don't have to put up with this. I am not going to have you question my wife any more." I said, "Mister, it looks like you are too old to be in this war. What war?" He said, "World War II." I said, "We will forget about being war veterans." So then I asked him what his badge was out at Ford's.

Q. Coco?—A. Yes. He gave it to me. I asked where he was born. He told me somewhere over in Italy. He's Sicilian. So then he started to explain to me, "My name is not Sam. It is Salvator." I guess they cut that off and make it Sam. I said, "Here, have you a basement in this place?" He said, "Yes." I said, "Could I see it?" He said, "No, it's dirty down there. There wouldn't be any sense going down to see this basement." Of course, being a private detective, I couldn't force my way down. If I was a city man, I couldn't force my way. I said, "Are you going to cooperate with me?" He said, "Yes, but you have to leave my wife alone, because she is crying." This is the day we found out about the whiskey being bought. I went back to Mrs. Gentile. I found the day, well, that night—the week end, you know, when she was found, the Gentiles were out to a little cabin, well, it's a truck farm they have. It's out 21½ Mile Road and Van Dyke, past Utica, Michigan.

Q. Yes.—A. This road where Mrs. Lydia Thompson's car was found, I mean, you know where Auburn Road is.

Q. In Pontiac, yes.—A. Where it cuts off to the right.

The COURT. Auburn?

The WITNESS. Auburn, I guess they call it. It cuts directly into this parking lot at Pontiac, where her car was found. It's a direct road to the place the Gentiles have. Now, here's a strange thing about it, Lydia left—

The COURT. Just a minute, off the record.  
(Discussion off the record.)

By Mr. GARBER:

Q. I guess we have it all straightened out. In other words, you found out the Gentiles were out 21½ Mile Road, and that road leads directly into where her car was parked.—A. Yes. See, this is what I mean.

Q. I want to establish—you say this Auburn Road leads right into where the car was parked?—A. That's right.

Q. Where was the car parked?—A. Parked on the left side of this Auburn Road here.

Q. Tell me, so it will be in the record.—A. You go out Woodward. You hit Saginaw—no, you don't hit Saginaw, that's still Woodward. Auburn Road runs to the right. It's not called Auburn Road to the left, there's a continuation there. They call it that lake road.

Q. Orchard Lake Road is on the left?—A. That's right.

Q. Now, how far off Woodward was the car parked?—A. About a block west of Woodward.

Q. A regular commercial parking lot?—A. Yes; a regular parking lot.

Q. Was it ever investigated when the car was parked?—A. Yes; that's what I was getting at.

Q. Was it parked during business hours?—A. It was not.

Q. Was there ever a ticket put on it?—A. No; it was parked sometime after nine o'clock at night.

Q. After nine o'clock at night?—A. That's right.

Q. October 11th?—A. October the 11th. Well, anyway, it was there the next morning.

Q. It was there the next morning?—A. That's right.

The COURT. They presume it was parked after nine o'clock.

The WITNESS. Yes. Well no; here, the man stayed there till nine o'clock and the car wasn't there, so it had to be parked after nine o'clock at night. Now, it was parked just the way Lydia Thompson would drive. I told you she was a bad driver. She would drive into a parking lot and have the attendant park it because she couldn't. She just parked it any way.

The COURT. I take it, at that time of night there was plenty of room to park a car?

The WITNESS. Plenty of room.

The COURT. She didn't have to be an expert.

The WITNESS. She didn't take into consideration anybody else who might want to park.

The COURT. She could do it?

The WITNESS. She just drove it into the lot and let it go.

By Mr. GARBER:

Q. Now, do you now what time this car was discovered the next day—it would be on the 12th.—A. I would have to look it up.

Q. Was it early in the morning?—A. Well, when the parking man came there the next day, here sat this car.

Q. Apparently locked?—A. Apparently locked.

Q. So it was in his road?—A. And he called the Pontiac police, but they didn't report it, they didn't say anything about it.

Q. What did they do with it, pull it off the lot or leave it on the lot?—A. I think that car was left in this parking lot. I couldn't say, I think that car was there, because I didn't enter the case till after.

Q. It was reported there was a stolen car in the lot, apparently a stolen car, and there's a record of that with the Pontiac police?—A. Yes.

Q. All right, go ahead.—A. As I say, that is directly opposite Auburn Road.

Q. That road would take you to Gentile's?—A. Gentile's and somebody else own this together, I believe Jacelonía or something.

Q. Also Sicilians?—A. The whole bunch are. But anyway, I mean, after she left Fannie Coco's on the night of the 11th at four o'clock—I mean she was putting in that telegram at 4:39—she was supposed to come back and meet the Cocos that night. They had a date together, so at six o'clock, shortly after six o'clock on the night of the 11th, Fannie Coco and Sam Coco went to the laundry and they asked Hattie Stubbs—

Q. That's the colored lady?—A. That's right—where Lydia was, and Hattie said she didn't know. They said, "Well, we had a date with her, but it's too late. If she comes, have her come over to our sister's." That was never clarified,

whether they meant Latonia's or Gentile's. To my mind, it was never clarified, which one they meant.

Q. Yes.—A. Now, when Lydia was found, she was found wearing this coat, and there was a scarf found there, kind of a babushka, sort of thing. She was found in the same clothes she used to follow Thompson in.

The COURT. What?

The WITNESS. She used to follow Thompson all over herself.

The COURT. She was found in the same clothes—A. She always used to follow Mr. Thompson in.

By Mr. GARBNER:

Q. Those were her shadowing clothes?—A. That's right. She thought it was a disguise. Herbert Hawkins, that runs a detective agency out of the Tuller Hotel, he done some work for Lydia Thompson. Herb's wife and Lydia were friendly.

Q. Herb who?—A. Hawkins.

Q. He is a private detective?—A. Yes, he's in the Tuller Hotel. The man long years ago used to be associated with me. He became too old. I had him get a license of his own. He does commercial work. Anyway, she got to be quite good friends with Mrs. Hawkins, and Mrs. Hawkins made the statement to me these clothes she was found in, were the clothes she always wore. Now, she used to take the Cocos and Gentiles out to her house—I mean, the women, and they used to stay out there with her, I mean all night. Some times they stayed a week at a time. Sometime, back in June or July, before she was found killed in October, Fannie Coco's girl, I mean, this one is a smaller girl, lost a set of keys to Lydia's house—was supposed to. They were never found—never found at all. Then, sometime September 15th, Lydia Thompson had an accident out in Birmingham.

The COURT. Had what?

The WITNESS. An accident with a car. She hit a truck, a fellow by the name of Lutz. His name was Lentz or Lutz. She hit a car, and Fannie Coco was with her that day she hit that car. So it was sometime in the early—in the latter part of August or first of September, it was on a Friday, Mrs. Thompson went to Mrs. Steele.

The COURT. What?

The WITNESS. To Mrs. Steele. That's this lady that lives on Ford Avenue.

By Mr. GARBNER:

Q. The Scotch lady?—A. The Scotch lady. She went to Mrs. Steele and she wanted Mrs. Steele to go out and stay the week end with her. At first she said she couldn't but then—Lydia was just a woman you couldn't hardly say no to, to her friends, and Mrs. Steele went out to this house, the big house, and she went out there. Everything was all right that night. The next day, about ten o'clock Lydia got a telephone call, and after she got this telephone call, she become nervous and she told Mrs. Steele, "I have to go into town right away, but I will be back at one o'clock." So she come into Detroit or Highland Park, one, she didn't get back at one o'clock, but called Mrs. Steele, because Mrs. Steele stayed at the house. She came back about four o'clock in the afternoon. She came in highly excited. She took off her coat. They went downstairs in the reception room or play room, whatever you want to call it—

Q. The first floor?—A. They was sitting in there, and all at once, she put her head down on the table and started to bawl, cry. Mrs. Steele said, "Lydia, what's the matter?" She said, "You know, Mrs. Steele, I am going to hire somebody to disfigure Helen Budnik for life." She made that statement to Mrs. Steele. That was either the latter part of August or first of September.

Q. What year?—A. 1945, just before she was killed.

Q. Let me ask you one thing: When you went through this house, did you find any lewd, lascivious, or sexy magazines in that house?—A. Absolutely not, and I would like to have this off the record.

Q. All right.

(Discussion off the record.)

Q. Let me ask you something on the record: Do you know whether Cocos have an automobile?—A. Yes.

Q. Do Gentiles have an automobile?—A. Yes, a Buick.

Q. Do Latonias have an automobile?—A. I can't answer that question.

Q. Now, who has the Buick?—A. Gentiles.

Q. Mrs. Gentile is a woman who is rather stout?—A. That's right; that's an older Buick, I can't say what model.

Q. Do you know whether Mrs. Thompson used to get Mrs. Gentile to drive her around in the Buick or not, her car?—A. Mrs. Thompson?

Q. Would get Mrs. Gentile to use her car to take her any place?—A. No, I don't. I never heard of that. Mrs. Thompson always used her car. There was another time, I don't know exactly when that accident happened, but she did rip that car up one time, besides this one out in Birmingham, she did have another wreck. I don't know what it was. She did have one.

Q. Did Mrs. Coco drive?—A. As far as I know, I can't say.

Q. How about Mrs. Gentile?—A. I wouldn't think so.

Q. How about Mrs. Latonia?—A. I don't know.

Q. You don't know whether any of these three women can drive or not?—A. No; I don't.

Q. You don't know if they have a driver's license?—A. No; but I do know Mrs. Coco is the dark-complected woman always seen with Mrs. Thompson.

Q. She's the woman who was seen with Mrs. Thompson on occasions, Mrs. Coco?—A. Fannie Coco.

Q. Do you know how long that acquaintanceship had been between the Cocos and Mrs. Thompson?—A. About 15 years.

Q. 12 or 15 years?—A. They were old friends.

Q. Did you ever find in your investigation that Mrs. Thompson borrowed money from the Gentiles?—A. Oh, yes.

Q. How much did she borrow?—A. \$1,500.

Q. When did she borrow the \$1,500?—A. Approximately two or three weeks before she was killed.

Q. Two or three weeks before she was killed?—A. Approximately.

Q. That's been proved to your satisfaction, she got the money?—A. I saw the stub, the cashier's check stub.

Q. A check was cashed?—A. Yes; it was taken over to this bank.

The COURT. Was it ever repaid?

The WITNESS. I can't say. She didn't pay it back. She owed this money. The loan was still on the car when she was killed. Whether Thompson paid it back, I don't know.

The COURT. Mrs. Thompson, she borrowed \$1,500 from Mrs. Gentile?

The WITNESS. Yes.

The COURT. What to do, did she finance that car with that money?

The WITNESS. Put up the car as collateral.

The COURT. Did Mrs. Gentile have a mortgage on Mrs. Thompson's car?

The WITNESS. Well, Gentile did.

The COURT. Who ever did, either one?

The WITNESS. Yes.

The COURT. Had loaned Mrs. Thompson \$1,500 two or three weeks before her death, and as collateral to that loan, there was a lien or mortgage on the car, and there was, at the time of Mrs. Thompson's death?

The WITNESS. Yes. One other thing, I got off the track, on the day or night of the tenth, that Mrs. Thompson stayed at Mrs. Latonia's house, they went out that evening and had lunch—I forget the place they had lunch, some restaurant or diner. They had dinner, they came back to Mrs. Gentile's home, which is just three or four doors down from Mrs. Latonia's out on Thompson. They had a poker game, a card game. There was a poker game going on. So I questioned—I mean, I was serious about it, about how much money was in the game. First, they said, two or three pennies, then up to a nickel, and they then said it was never over a dime was ever played. I asked Gentile if he was there. He made the statement he was there and watched the poker game, but he didn't play, which, as a matter of fact, he said the poker game was just breaking up when he came home. As a matter of fact, he was home at the time they were playing poker at that house, and the next day Mrs. Coco did go down to the bank with Mrs. Thompson to draw some money. Of course, I couldn't get that, how much she took out.

The COURT. Did you ever find out what Mrs. Thompson did with the \$1,500 she borrowed from Mrs. Gentile?

The WITNESS. No.

The COURT. At the time she borrowed it, Mrs. Thompson already owned her car?

The WITNESS. Yes. Vic gave it to her.

The COURT. The title to the car was clear?

The WITNESS. In her name.

The COURT. What model Buick was it?



THE WITNESS. 1941 or '42, one of the newest cars at the time.

THE COURT. She wanted \$1,500, Mrs. Gentile loaned it to her, and your investigation doesn't show what she did with it?

THE WITNESS. No.

THE COURT. Did you ever examine her bankbook to determine whether she deposited that money?

THE WITNESS. No, that's one thing they won't let a private detective do.

THE COURT. You didn't do it?

THE WITNESS. No.

THE COURT. The morning of the 11th, she did go to the bank in Highland Park?

THE WITNESS. No.

THE COURT. She did take out money?

THE WITNESS. Yes.

THE COURT. What bank is that?

THE WITNESS. Right there close to Davison. I can get you that.

MR. GARBER. The Commonwealth Bank?

THE WITNESS. I don't know if it is the Commonwealth.

THE COURT. Close to Davison on Hamilton?

THE WITNESS. No, I believe the bank is on Davison. It's a Highland Park bank, I have the name of the bank.

THE COURT. And you don't know how much money she withdrew that day?

THE WITNESS. No. I was under the impression it was \$400.

THE COURT. Well, you, being a private detective, you couldn't check into the bank?

THE WITNESS. No, I couldn't get that far.

THE COURT. You don't know if any of the officers did check into that account, the state police?

THE WITNESS. Well, Judge, Captain Leonard was supposed to.

THE COURT. Captain Leonard was supposed to?

THE WITNESS. Supposed to check into it, supposed to know how much was there. Now, I find, too, in this investigation—I don't think this would be necessary to go on the record—this case has never really been investigated the way it should.

THE COURT. It has never been really investigated?

THE WITNESS. When I got out there, getting away from my statement—well, we will say I was called in at your house, and there's some reason to believe that you had been murdered. Of course, we don't know whether it is that house, or not. It's your house. We know you were there. Naturally, the place to start, one of the phases of the investigation, is at the house. They have never looked up the paper boy, the milkman, the mailman, never talked to these people at all, until—this was about four weeks later when I got around to them, because after all, I was only one man.

THE COURT. This is off the record.

(Discussion off the record.)

THE COURT. Go ahead.

THE WITNESS. Captain Leonard, so far as I know, has that information.

MR. GARBER. How much money was drawn out—

THE COURT. Out of the bank account?

THE WITNESS. That money was taken out after this poker game. Don't get me wrong. I am not saying the poker game had anything to do with it.

THE COURT. Just a circumstance.

THE WITNESS. It could have had, but I don't hardly think so.

THE COURT. Now, from there, where do we go?

THE WITNESS. Now, we get back to the Gentiles. They went over to this laundry and was asking about Lydia that night, you know.

By MR. GARBER:

Q. Yes.—A. Now, if they was interested enough—if they was interested enough to come over to this laundry and ask about her, and they claimed they made some calls out there the next day, and also the next day the Cocos did—

THE COURT. What?

THE WITNESS. The Cocos did claim they made some calls out to her house, and nobody answered the telephone.

THE COURT. The 11th or 12th?

THE WITNESS. The 12th, and the day before this body was found. See, this body was supposed to lay there two and a half days. Them two days they didn't go back over to the laundry, they didn't go to Thompson, they didn't go to anybody.

The COURT. They didn't go out to the house?

The WITNESS. They didn't go to anybody about Mrs. Thompson. They claimed they called a couple of times out there, and nobody was there.

The COURT. At the Orchard Lake place?

The WITNESS. Nobody answered, and they didn't bother. Then the papers came out Saturday night—after they found the body Saturday noon, the papers come out, and on Sunday Mrs. Gentile and her husband had come back from this farm out there, if you want to call it a farm, an acre and a half.

The COURT. Are there any buildings on it?

The WITNESS. Oh, yes; two bedrooms and a big room they used as a living room, and a kitchen. So they came back and got a Free Press Sunday evening. Still, yet, they hadn't really identified—

The COURT. The body?

The WITNESS. The body as Mrs. Thompson's, so what did they do? They called the prosecutor and went out there—some official, and went out there and identified the body.

The COURT. Who did?

The WITNESS. Mrs. Coco and Mrs. Gentile.

The COURT. In other words, from the Press, the Gentiles and Cocos found that a woman had been murdered, and her body lay in the morgue in Pontiac.

The WITNESS. That's right.

The COURT. They had been in touch with her intimately on the 11th.

The WITNESS. Yes.

The COURT. And on the 12th they claimed they called out at her home and didn't get anybody.

The WITNESS. That's all they done.

The COURT. So when they found this item in the Press, the Sunday evening Free Press, I suppose the early edition, for Monday—

The WITNESS. That's right.

The COURT. From information they gleaned there ostensibly, they called up the prosecutor in Oakland County.

The WITNESS. Yes, sure; Pontiac.

The COURT. And went out there and identified the body the next day.

The WITNESS. Ten o'clock.

The COURT. When did they go there?

The WITNESS. The next morning.

The COURT. And identified the body. Mrs. Gentile—

The WITNESS. And Mrs. Coco.

The COURT. And Mrs. Coco.

The WITNESS. Now, there was either two or three of them into it, either the whole three women and one of the men in the Klan went out and identified the body.

The COURT. All right.

The WITNESS. So—can this be off the record, Judge, what I am going to say now?

The COURT. Yes.

(Discussion off the record.)

(Witness excused.)

2:20 p. m.

ROBERT EMMETT WHITING, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Will you state your full name?—A. Robert Emmett Whiting.

Q. Where do you live?—A. 18426 Rutherford.

Q. Do you have a sister?—A. Yes, sir; I do, two sisters.

Q. Is one of them Mrs. O'Keefe?—A. That's right.

Q. At one time was she engaged in the scrap business with Reliance Metal Company?—A. She was, sir.

Q. Were you also engaged for some time?—A. I was engaged after I returned from the service. I got back from overseas and didn't know exactly what I was going to do, and Mary Kay asked me if I wanted to go in the scrap business.

Q. Mary Kay being your sister, Mrs. O'Keefe?—A. Yes. So, I didn't have any previous business experience, having gone right from school in the army.

The COURT. What school?

The WITNESS. University of Detroit, sir.

The COURT. How long were you in the army?

The WITNESS. Five years and two months.

The COURT. When did you get out?

The WITNESS. I got out October 16, 1945.

The COURT. What was your rank when you got out?

The WITNESS. Major, sir.

The COURT. What department were you in?

The WITNESS. Field Artillery.

The COURT. From Detroit?

The WITNESS. Oh, no, no.

The COURT. The 182nd?

The WITNESS. No; I was with the 19th Field Artillery, 5th Division.

The COURT. Where were you stationed?

The WITNESS. I was originally stationed at Fort Benjamin Harrison down in Indiana.

The COURT. How far through school did you go?

The WITNESS. Three years.

The COURT. University of Detroit?

The WITNESS. University of Detroit, sir.

The COURT. Department of Liberal Arts?

The WITNESS. Well, I majored in psychology out there, Judge Murphy, but I felt I was getting no place, and my ultimate aim in things wasn't going to be culminated if I stayed in school.

The COURT. You quit at the end of 3 years and went in the army?

The WITNESS. Yes, sir.

The COURT. Early in 1941?

The WITNESS. April 1941; yes, sir.

The COURT. And you got out—

The WITNESS. October 16, 1945. Well, that makes it—that would be four years—about 4½ years, I guess.

The COURT. Just about the time my son went into the Field Artillery at Leonard Wood, the 182nd.

The WITNESS. Oh, yes, sir.

The COURT. The King's Own from Grosse Pointe.

The WITNESS. We left the country in September 1941. I went to Iceland then. Then I got my commission in the field and advanced on up.

The COURT. What are you doing right now?

The WITNESS. Why, the three brothers of us, Jack, my brother outside there, and my younger brother, Dick, are starting our own tube-fabrication business. We just bought a plant out in Melvindale, Michigan, which my mother is financing for us, and the three boys of us are going into business for ourselves.

The COURT. How old are you?

The WITNESS. 28. Jack is 36, Dick is 24.

The COURT. None of you have had any experience?

The WITNESS. I worked for Jaloy Manufacturing Company, which is a tube fabrication outfit for—well, I went into it right after I left working for Mr. Robinson in Robinson Steel Corporation.

By Mr. GARBER:

Q. Was your father connected with Westinghouse?—A. Yes, he was.

Q. Then, I take it you joined your sister, Mary Kay, in the scrap business?—A. Yes, sir.

The COURT. Is your father still living?—A. No; he is dead. He died about two years ago, Judge.

By Mr. GARBER:

Q. And did you have any particular accounts?—A. Myself?

Q. Yes.—A. Yes, sir. I procured a contract for the Elkhart, Indiana, branch of International Detrola Corporation. Mr. C. Russell Feldman was a personal friend of mine. I was engaged to his daughter for some time. He is president and owner of International Detrola, and they own, oh, it's a combine of about, oh, I would say 10 or 12 different companies, Universal Cooler, Rohr Aircraft, Utah Radio, Simplex Radio and International Detrola, they comprise International Detrola Corporation.

Q. Well, did your sister have any accounts?—A. Previous to my coming to the company, Mary Kay told me she had been to see Mr. Cleary.

Q. That's William J. Cleary?—A. William J. Cleary, director of purchases at Briggs Manufacturing. Well, he had known the family for quite some

time. In fact, our summer places were very close together at Gratiot Beach, and Mr. Cleary used to come out and follow us around the golf course when we would be playing in golf tournaments, when we were kids, and she said she had gone to Mr. Cleary. As long as she was in the scrap business, if she could get some business from the Mack Avenue plant—

The COURT. How did she get in the scrap business?

The WITNESS. Well, she ran into this Allen Robinson, who has been in the scrap-metal business for some time, and my sister has what you might call, very good personality, a natural-born salesman, gets along with people very well.

The COURT. How old is she?

The WITNESS. 33.

The COURT. She is married and not living here?

The WITNESS. She is married and living in Pennsylvania. She has a farm down there now. She's separated from her husband. So this Robinson evidently asked her to come with him for the same purpose he wanted me to go with him, which was—

The COURT. That was before your day there?

The WITNESS. Yes. She was in prior to my coming.

The COURT. She went in during the war?

The WITNESS. She went in during the war, and evidently from all reports I heard, did very well in the business.

By Mr. GARBBER:

Q. But she knew Mr. Cleary through the fact you had cottages close together?—A. At Gratiot Beach. Yes, Mr. Cleary and my father were very close friends and my mother and Mrs. Cleary were very close friends.

Q. Do you know how long this business relationship existed where your sister was obtaining the nonferrous metals from Briggs?—A. You mean—

Q. Over what period of time?—A. That they actually got metals from Briggs?

Q. Yes.—A. Well, now, this is purely—you might call it a guess, but I would say approximately six weeks.

Q. Six weeks?—A. Yes.

Q. But she obtained this business because of her social contact with Mr. Cleary?—A. That's right, sir.

Q. And then what happened that that set-up was broken up, Mr. Whiting?—A. Well, I came down to the office in the Book Building one morning, and—Sis and I came down together—and Mr. Robinson said, "Come in and take a look at these invoices. They are going down. They have been going down for quite some time."

Q. Do you recall when that was, Mr. Whiting.—A. Gee, I don't.

Q. Approximately?—A. I have been with Jaloy about a year—well, sir, it would be about the middle of October.

Q. What year?—A. 1945, sir.

Q. October of 1945. I see. All right, Mr. Robinson called your attention to the fact that the invoices were going down.—A. That the invoices were going down, that the truckloads of material going out of the Briggs plant were not what they had originally been, so Mary Kay and I took the invoices and went over to see Mr. Cleary.

Q. Where did you go to see Mr. Cleary?—A. At the—well, it's over on Mack Avenue.

Q. The Briggs plant?—A. Yes; over in the Mack Avenue plant.

Q. All right.—A. And Mr. Cleary stated that—we showed him these invoices and said we were just wondering what happened to our shipments going out, and he said, "Well, Mary Kay and Bob, there's just nothing I can do about it, it's out of my hands now."

Q. Did he state why it was out of his hands?—A. No, sir; I certainly wasn't going to interrogate the man as to the reasons why. He had been solicitous enough to give us the business in the first place, and his word was good enough, if there was nothing more Mr. Cleary could do for us, and we thanked him.

Q. He did make the statement the sale of the nonferrous metals was now out of his hands.—A. Yes; that's true.

Q. That he could no longer give you that business?—A. He no longer had control of it.

Q. He didn't say who had taken it away, what happened to it?—A. No.

Q. But simply said he was sorry, it was no longer in his control?—A. Right.

Q. Then did your shipments terminate entirely?—A. No; they continued to dwindle down. In the first place, our contract, if you might call it that, was

merely a verbal agreement. There was nothing written on the thing, and our shipments continued to dwindle down until they became just of aluminum floor sweepings.

Q. What were you getting from the Briggs?—A. The volume?

Q. What type of metal?—A. Mostly aluminum.

Q. And did you get any of the other nonferrous metals?—A. Not that I know of.

Q. Did he state anything about another contract having been entered into?—A. No, sir; he didn't.

Q. But simply told you it was no longer in his hands and there was nothing he could do about it?—A. There was nothing he could do about it.

Q. Did he say anything about the fact he had received the orders from his superiors in any way?—A. No. Of course, that was our supposition of the thing.

Q. That was your supposition?—A. Well, I think it would be a natural supposition, wouldn't it? As long as it was out of his hands, it must have been somewhat higher than Mr. Cleary in the organization.

Q. Anyway, you ceased to receive anything?—A. We did get a few, as I say, of these dwindling shipments out of the thing.

Q. About when did they terminate altogether?—A. That I don't know, sir.

Q. About how long after you went to see Mr. Cleary?—A. Well, as I say, these things continued to dwindle on down, and then I attempted to start my own manufacturers' agency. I wanted no part of the thing, through some advice Mr. Feldman gave me. He said, "You are going to hurt your reputation associating with these scrap dealers, the type of people who are associated with the business. Your father is, and always has had a very fine reputation, the family," and he said, "I think you and Mary Kay are endangering that thing by associating with the type of people in the scrap market," and I immediately took Mr. Feldman's advice and left the employ of Robinson Steel. Mary Kay did the same thing. So as far as the termination of the thing, when the thing actually did end, I don't know, sir.

Q. Mr. Robinson did not have the account before it was obtained by your sister, Mary Kay?—A. No, sir.

Q. It was obtained by her, right?—A. That's right, sir.

Q. And Mr. Cleary and your father had been friends for a number of years?—A. Right, sir.

Q. Also, he had known you and your brothers and sisters?—A. Well, all of the kids played together.

Q. Over a period of years.—A. Yes, sir.

THE COURT. How long was your sister associated with Robinson before she got the Briggs account?

THE WITNESS. I would say approximately a year, Judge Murphy. Of course, I am basing that on merely letters I received overseas.

THE COURT. When she became associated with Robinson, and also when they got the Briggs account, you were still in the army?

THE WITNESS. Yes, sir.

THE COURT. Overseas?

THE WITNESS. Yes, sir; I was in Germany at the time.

THE COURT. Did you ever hear of the Carl Renda Company?

THE WITNESS. Yes, sir; I have.

THE COURT. When and in what way did you hear about it?

THE WITNESS. Well, when we came back—as I told the detective the other day, when we came back to the office after seeing Mr. Cleary, Mr. Robinson was of the opinion that there—of course, it was just an opinion—there was nothing he had to base the facts on, as I have no facts to base my opinion on, rather—that there was only—of course, he said, "Now, look, these men higher than Mr. Cleary certainly aren't being bought off. I think they are making a sufficient amount of money that they can't be bought off," as I understand is a fairly common practice in this scrap-metal business, which is one of the reasons we got out of the thing. So evidently there's been some other type of pressure put on them. He said, "My opinion of the thing is, this Renda outfit"—he referred to them as Italian—there was some Italians mixed up in the thing—he said, "My opinion of the thing is, there's a tie-in between Renda and the unions, that they will guarantee Briggs Manufacturing an armistice in this labor strife that had been so rampant around at the time, in exchange for taking on all of their scrap business."

THE COURT. Who would do that?

THE WITNESS. He referred to them as the Italians, sir, at the time.

THE COURT. I mean, where would this activity come from? You mean, that the union would tie in with the Renda Company for stabilization of union activities?

THE WITNESS. Of course, as I say, Judge, I don't know, sir, but just from what this Mr. Robinson said, I am basing my—

THE COURT. Well, he figured Carl Renda was in this scrap deal with Briggs Manufacturing for some purpose?

THE WITNESS. The chief purpose being to make money, sir.

THE COURT. Yes; the chief purpose being to make money, and in return for that, what was the Carl Renda Company going to do?

THE WITNESS. Well, that was Mr. Robinson's opinion of the thing.

THE COURT. In other words, did Robinson think the union hired or retained the Carl Renda Company?

THE WITNESS. No. My supposition of the thing would be that Mr. Renda either was affiliated with the union, or had very strong friends in the union, whereby he could influence the union one way or another.

THE COURT. What would make you think that?

THE WITNESS. I don't know, sir.

THE COURT. Well, the party that dispensed the contract would be the Briggs Manufacturing Company?

THE WITNESS. That's right, and it would have to have Mr. Carl—

THE COURT. The Renda Company would have to contact the Briggs Company?

THE WITNESS. Absolutely.

THE COURT. The Renda Company would have the contract with the Briggs Company?

THE WITNESS. Absolutely.

THE COURT. How could the union have any particular power in that?

THE WITNESS. All we were basing our thoughts on—of course, at the time it was our means of livelihood, and we were interested from all angles, why this thing was taken away from us.

THE COURT. Let's see if we can help you out. The Carl Renda Company, as Robinson said, were Italians.

THE WITNESS. Yes, sir.

THE COURT. They got the contract?

THE WITNESS. Yes, sir.

THE COURT. After they got the contract, there was a quietus on labor disturbances, major labor disturbances in the Briggs Manufacturing?

THE WITNESS. Apparently.

THE COURT. Robinson knew that?

THE WITNESS. Evidently. He made the statement.

THE COURT. Now, Robinson was trying to figure out why the Carl Renda Company got the contract?

THE WITNESS. Check, sir.

THE COURT. Did he ever say the Carl Renda Company got the contract from the Briggs Company, and in return for the scrap, the Carl Renda Company and his affiliated Italians were to put the quietus on labor disturbances and that's how they happened to come into the picture?

THE WITNESS. Not as a direct statement, no. It was merely a supposition.

THE COURT. In other words, he had certain facts from which he was trying to draw conclusions.

THE WITNESS. Yes, the facts being we had gotten the business from the Briggs Manufacturing from a purely personal standpoint, which is, as far as I know, one of the best selling points a person can have, if a person is willing to do you a favor, and so on.

THE COURT. All right. Your family knew Mr. Cleary?

THE WITNESS. Right, sir.

THE COURT. Cleary, to a large extent, had the disposal of the scrap.

THE WITNESS. Well, there was a man Herbert, who had direct control.

THE COURT. Who was under Cleary?

THE WITNESS. Right, but it would be Mr. Cleary's final word.

THE COURT. It would be Mr. Cleary's final word?

THE WITNESS. Right, sir.

THE COURT. Cleary knew your family, your father, mother, the children and your sister?

THE WITNESS. Yes, sir.

THE COURT. Your sister was in the scrap business associated with Robinson?

THE WITNESS. Yes, sir.

The COURT. Cleary did give your sister, for the Robinson firm, a certain portion of the scrap business.

The WITNESS. Well, as I understand it, there was a new company formed. Mary Kay said she would not work for Mr. Robinson.

The COURT. Anyway, a new company was formed?

The WITNESS. Yes; a new company was formed.

The COURT. But through her, she got a verbal contract for her company, of which Robinson was the dominating factor?

The WITNESS. Right, sir.

The COURT. As I say, a verbal contract for the nonferrous scrap metal.

The WITNESS. Right.

The COURT. Did that include all the nonferrous metals of the plant, or just one particular plant?

The WITNESS. As far as I know, sir, just the Mack Avenue plant.

The COURT. Just the Mack Avenue plant. Now, that was a pretty good contract to start with?

The WITNESS. As far as I know, it was, sir, a very good one, yes.

The COURT. And ultimately it dwindled away.

The WITNESS. That's right, sir.

The COURT. In the meantime, the Carl Renda Company came into the picture.

The WITNESS. As I understand it, they did.

The COURT. And got the contract for this nonferrous metals from the Briggs Manufacturing?

The WITNESS. Check, sir.

The COURT. Now, there had been a lot of labor disturbances in the Briggs plant?

The WITNESS. Well, that I wouldn't know, sir.

The COURT. You wouldn't know?

The WITNESS. No.

The COURT. But anyway, there were not very many labor disturbances at the Briggs plant after the Carl Renda Company came in, were there, or did Robinson tell you that?

The WITNESS. No, sir, no.

The COURT. Well, from Robinson's standpoint, his attempt to analyze the situation—

The WITNESS. That's about all it was.

The COURT. He could reason one of two ways: He could reason or try to conclude that the reason the Carl Renda Company came in there was that the Carl Renda Company was closely affiliated with labor.

The WITNESS. One, yes, sir.

The COURT. And that he, as the buyer of the scrap, would get along very well with labor and labor would be satisfied.

The WITNESS. That's apparently the thought they went on, in Mr. Robinson's mind, when he made the statement.

The COURT. Or if he wanted to go along further, he might have reasoned that the Carl Renda Company for some particular reason, got the contract from the Briggs Manufacturing Company for all the scrap ferrous and nonferrous, and undertook to deliver certain results because he got that contract, among which he and his Italian friends would put the quietus on labor disturbances.

The WITNESS. That's what he said, sir, merely—I mean, there was nothing for him to base his facts on.

The COURT. In other words, I don't know as you testified that way. Was Carl Renda Company put into this picture through the one source that could put him in, the Briggs Manufacturing Company, or was he put into the picture by another source, namely, labor, that did not own the plant.

The WITNESS. I don't know, sir. I don't know. All I have told you was this conjecture that went on in the mind of Mr. Robinson at the time we came back to his office.

The COURT. This is off the record.  
(Discussion off the record.)

By Mr. GABER:

Q. When you were talking with Mr. Cleary, he was quite angry about cancelling you out.—A. Yes, sir; he was.

Q. And he appeared rather upset and rather angry about the whole thing.—A. That was my opinion.

Q. Did he make any statement he was forced to do this, or it was the first time he had been ordered by anyone to change a contract or give a different contract than he had?—A. No. As a matter of fact he was rather brusque, and would lead you to believe he didn't care to talk about it any more.

Q. He didn't want to dwell on it?—A. No.

Q. Well, do you know whether or not your sister had placed bids in order to obtain this material or not?—A. Yes, sir; I think she did.

Q. And those bids were passed on by Mr. Cleary?—A. Yes, sir; down to Mr. Herbert, I imagine.

Q. Then she was awarded the metals?—A. Yes.

Q. Then, once more to get this definite and cleared up: After you noticed the amount of materials you were receiving were diminishing, you and your sister went to see Mr. Cleary, that is, at his office in the Briggs plant?—A. Yes.

Q. At the time you arrived, Mr. Cleary was more or less upset, would you say?—A. Yes; I would.

Q. Can you tell us just what happened in those brief moments, as near as you can recollect?—A. Well, we went into his office—

The COURT. This, Bob, was about when, October 1945?

The WITNESS. Yes, sir; the latter part of October 1945.

The COURT. After you got out of the army?

The WITNESS. Yes, sir. I was still on my terminal leave. We walked in the office and all passed the time of day, and he asked me if I was intending to play any golf, just the general routine conversations, and I said, "Well, Mr. Cleary, our chief purpose in coming over to see you, was our shipments of scrap are being cut away down," and with that I showed him the invoices I had bought from Robinson Steel, and he looked at them, and it was then that I noticed the change. He had been friendly with both Mary Kay and myself.

The COURT. Mary Kay was with you then?

The WITNESS. Yes, sir; both of us were up there then. And he said, well, he thought for a while, then his attitude seemed to change a good deal. He threw them out on the table. He said, "Well, there's nothing more I can do about it. It's entirely out of my hands now. I did what I could." That's the summation of it.

Q. But your reaction to it was he was quite upset and angry about it.—A. Yes; having known Mr. Cleary a good many years.

The COURT. Angry about the contract, not angry with you and Mary Kay?

The WITNESS. No; I wouldn't say we had bothered him.

The COURT. You would say his anger was because he was frustrated because he couldn't be of assistance to you?

The WITNESS. Yes; I think it was.

The COURT. Your father was then dead?

The WITNESS. Yes; Dad was dead when I came home.

The COURT. He had known the family a long time?

The WITNESS. Yes, sir.

The COURT. And probably felt a rather strong motive, that he would like to help his friend's children out?

The WITNESS. I imagine that was the angle on the thing, yes, sir.

The COURT. By the way, what is Mary Kay's present address?

The WITNESS. Gee, now, wait a minute. Conneaut Lake, Route number 1, Pennsylvania.

The COURT. Where is that near, Bob?

The WITNESS. It's about 40 miles southwest of Sharon, Pennsylvania. It's right close to the Ohio-Pennsylvania border, near Youngstown. It's within a 50-mile radius of Youngstown.

The COURT. Youngstown, Ohio?

The WITNESS. Yes, sir.

The COURT. It's in the southwest part of Pennsylvania?

The WITNESS. Yes, sir.

The COURT. South of Pittsburgh?

The WITNESS. South of Pittsburgh, yes, sir.

The COURT. And east of Ohio?

The WITNESS. It's right on the border. It only takes you a very few minutes to get into Ohio from Pennsylvania there.

The COURT. She's on a farm there?

The WITNESS. Yes, sir.

(Discussion off the record.)

(Witness excused.)



FRANK C. SALVIDGE, having been by the Court previously duly sworn, was examined and testified further as follows:

Examination by Mr. GARBER:

Q. Will you go ahead now, from where you left off?—A. So then I went back out to the scene of the crime. You will find bark taken off the trees over where she first laid, and you will find other bark taken off the trees where she was drug to. I took that bark into Detroit to Lieutenant Payne.

The COURT. That bark was taken off?

The WITNESS. No, I took it off myself.

Mr. GARBER. For a blood test. He took the bark off the trees to see if it would react to a blood test.

The COURT. On the supposition some of the blood would spatter on the trees?

The WITNESS. Her head was cut off, except like this, and if she had been killed out there, her throat cut there, there would have been a spray. I have always been under the impression she was not killed out there. But I went out to prove myself wrong. I took this bark, took it in, got nothing off the bark at all. I asked Lieutenant Payne how long it would last. He said five to seven years, even on bark, he would get a trace of blood, not only on the outside, but it would seep in. I took this down even to the wood, the bark. So this man, Ed Brand and myself, I started out on another phase of the investigation trying to get away from the Cocos and Gentiles and Latonias—I mean I was trying to get away from that phase of the investigation and dig up something else.

Well, I go out into what's called Silver Lake—there's White Lake, out there, Duck Lake—

By Mr. GARBER:

Q. White Lake is a big lake, where there is quite a community, and Duck Lake is a little west.—A. Then it is White Lake. I went out there and made contact at a little tavern that was there, and just a little ways back away from the main road, there was a little store. There was a man in there—I have forgotten his name. I have it in the office. He claims to have made the statement on the night she disappeared, on Thursday night, or Friday night following, that they were in this wooded district, where her body was found with coon dogs, in there hunting, hunting coons, and were approximately 50 feet from where the body was supposed to be. Now, a dog will find a body if it is laying out there.

The COURT. That is, they were hunting after the 11th.

The WITNESS. Yes, that was the night she disappeared when they were hunting.

The COURT. Thursday night?

The WITNESS. And Friday. She was found Saturday.

The COURT. Saturday afternoon.

The WITNESS. Yes, they were hunting in there Thursday and Friday and said there was no body there. So then I went further, A person, his name is Bowlen, that owns that property there, he's an old man 68 or 70 years old, he has a daughter, and he tells me, he swears that he drove a wagon back and forth in that lane, where that lady was found, on Friday all day, all day Friday. Now, get me. Here's the main road. We will say this is the main road right here.

Mr. GARBER. I think you are misleading the Judge, when you call either one of those roads a main road.

The WITNESS. The main road through the forest.

Mr. GARBER. I know what you call it. It's a little narrow place you can't drive a car through, your Honor.

The COURT. What we call, in our section of the country, a cart road.

Mr. GARBER. That's it.

The COURT. Then, for example, there might be the main cart road—the cart road leads off the road, and there might be a less traveled cart road, where wagons only go a few times a year.

Mr. GARBER. I call this road he's describing a logging road, and the other road is barely a cart road.

The COURT. The other is scarcely more than a path.

Mr. GARBER. Yes.

The COURT. She wasn't on the logging road, she was off on the little road.

The WITNESS. Off from the side of the logging road.

The COURT. And how far away from where the path or less traveled logging road met the main logging road was she, how far from the corner of the intersection?

The WITNESS. I would say not more than 50 yards.

The COURT. In other words, if they drove up in a car——

Mr. GARBER. It was closer to 50 feet, wasn't it?

The WITNESS. Yes, it was closer.

The COURT. They drove up the main cart road and dragged the body into the pathway some 50 feet and dropped it?

The WITNESS. About, yes. Now, this Mr. Bowlen was driving a team through there. He was logging. Now, when whoever drug this body out there, they left a shoe and a hat laying there, and I mean, my goodness, say we got their wagon here, driving along, and over here lay the hat and the shoe——

The COURT. Near the body?

The WITNESS. The body was drug 18 feet back, but the hat and shoe was right at the road where the man couldn't miss the hat and shoe.

By Mr. GARBER:

Q. What kind of a hat?—A. A women's hat.

Q. The hat she probably wore?—A. Her hat.

The COURT. Her hat and her shoe?

The WITNESS. Her hat and her shoe, just where it dropped when they pulled the body out in the first place. Now, this man had a daughter. She was in there all day with him.

The COURT. On the cart road?

The WITNESS. I would say within 15 feet of that body, and they had a little fiesty dog, too, the old fellow—you know how a fiesty dog is, running back and forth, hunting squirrels. The dog didn't find it. The old man, bring him in here and he will tell you that body couldn't be there. As I say, there was no blood. Then I go back out there again after it snowed, after there was a snow, and there was quite a heavy snow, and there was cat tracks all over where that body lay. In fact, cats all the way through there. You know what a cat will do to a dead body if it runs up on it? It will claw it. In fact, it will try to eat it. It absolutely will.

The COURT. That's when the snow fell.

The WITNESS. Yes; but if the cats were in there when the snow fell, they must have been in there the night before. It's logical. It wasn't just one cat.

The COURT. Who was it found that body?

The WITNESS. It was a Russian. She's a Russian, and there was two Russians, I think, two women and one man.

The COURT. That found the body?

The WITNESS. That's right. I can't give you their names. They are that long.

The COURT. What were they doing around there?

The WITNESS. Picking mushrooms.

The COURT. In October?

Mr. GARBER. Fall mushrooms, they are.

The COURT. Is that the time for mushrooms?

The WITNESS. Oh, yes.

Mr. GARBER. Fall mushrooms. They are mahogany underneath.

The COURT. You have the names of the Russians that found her?

The WITNESS. Oh, yes. I have them. They just happened to stumble on it.

The COURT. No suspicion?

The WITNESS. As far as I am concerned. I tried to prove myself wrong, she wasn't there. I tried to prove myself wrong. I couldn't do it.

The COURT. You were trying to build up the theory she was murdered first and brought there?

The WITNESS. Yes.

The COURT. Then you tried to break that theory down and find she was murdered on the spot, and you couldn't get enough to support it, so you came back to the original theory?

The WITNESS. Yes.

Mr. GARBER. Off the record.

(Discussion off the record.)

Mr. GARBER. What about this writing on the back of this calendar?

The COURT. I was going to ask about that, and finding of the revolver.

The WITNESS. And the books, too.

The COURT. We have filled in pretty much up to this point.

The WITNESS. All right. Now, let's take the books. I have absolute proof—I was down on my knees reaching under this Frigidaire. I had my hands under

there. There was nothing there. These books, the ration books—there was a handkerchief like this. There was a ration book, there was a small comb, some hairpins, and one little coin purse women carry, a small one.

The COURT. What?

The WITNESS. A small purse, Judge. The purse was in this——

The COURT. Handkerchief?

The WITNESS. Handkerchief, and it was kind of—it wasn't tied up, and it was supposed to be under this Frigidaire. That's what Thompson said when they found it.

The COURT. Who found it?

The WITNESS. Helen Budnik—Mrs. Thompson now.

The COURT. She found it how long after the time you were there?

The WITNESS. October, November, December, January, February, March——

Mr. GARBER. I don't know.

The COURT. She found this business?

Mr. GARBER. Four or five months after?

The WITNESS. Yes.

The COURT. Under the Frigidaire. What about these sexy books?

The WITNESS. I never saw any sexy books. They claimed there were some books there, but I don't believe it.

The COURT. Where was it claimed they may have been found, before you got out there.

The WITNESS. Ed Brand can do more for that. I wasn't the only one checking on that Frigidaire. Ed. Skarupski, one of my men, and Johnny Burns, and Thomas, he made the statement, he got down on his knees and felt under the Frigidaire.

The COURT. What do you think this Helen Budnik had to do with this affair?

The WITNESS. I don't think she had much to do with it.

The COURT. Do you think Thompson had anything to do with it?

The WITNESS. The only thing, he may have paid to have it done. His alibi, you can't check it. He's even got the Chief of Police out in Mount Clemens in it. He just went out and got himself an alibi, and you can't check it.

The COURT. Where does he claim he was during that period?

The WITNESS. The night she was killed, he claimed—see, when she came over there on Thursday, about noon, I placed her over at the garage. Then he left and went down to some convention downtown—they had automobiles. He stayed on the floor till about five o'clock. He came back to the sales office on Hamilton. He went over to the Capitol Cafe, that's out on Six Mile Road. He met a marine and his father, you know, and he was in there till he met two women. They left and went down to Cliff Bell's and these women accompanied him at all times.

The COURT. Cliff Bell's on the Six?

The WITNESS. Yes. They went down to Cliff Bell's, had some drinks in there, and about eleven or eleven-thirty, they left there and returned to the Capitol Cafe.

The COURT. That's the night she disappeared?

The WITNESS. They got the women's car and his car—the women had a car and he had a car, too—and they drove over on either Sunnybrook or Sunnyside Street. They entered, Thompson and these two women, they went into a flat or apartment. He stayed there drinking with the women until two o'clock in the morning. He left there and drove down to the D & C Coffee Car. It's close to the neighborhood—one of these all-night little places, where they sell doughnuts and coffee. He ate. The waitress, she remembers him, because Thompson gave her a dollar. I don't think he ever gave another woman a dollar in his life, a tip. Anyway, he gave her a dollar that night, anyway he claims it. He returned to the laundry. He lived upstairs, had an apartment over this laundry. He claims he went there and went to bed. He was supposed to have a dinner or breakfast date with Lydia the next morning, so he got out to the big home about ten or ten-thirty.

The COURT. He went out to Orchard Lake?

The WITNESS. That's right. He went out there.

The COURT. Friday morning?

The WITNESS. Friday morning.

The COURT. According to our schedule, she might have been dead then?

The WITNESS. Well, she was gone anyway, disappeared, we don't know where. He was supposed to have a breakfast with her.

The COURT. Had that been his custom to go out once in a while when he was estranged from her?

The WITNESS. No. She called him. He was supposed to go out. That's when he discovered the dogs had been fed. The flashlight was laying at the door.

Mr. GABER. This is Thompson's story?

The WITNESS. This is Thompson's story. The flashlight was laying at the door. He was going hunting, too. It was closed to pheasant season. He was going to pick up his hunting clothes after he had this date. He has a cottage out somewhere out north on a lake. He goes back in. He thought she had gone someplace else. He went back into town. Nothing happened. He claims he called the house a couple of times. That night he went out with Helen Budnik.

The COURT. Did he say if he ever looked around the house to see if Mrs. Thompson occupied one of the beds that night?

The WITNESS. He didn't say.

The COURT. In other words, to see if the bed had been made up or disturbed?

The WITNESS. He didn't say.

The COURT. He met Miss Budnik that Friday night?

The WITNESS. He met Miss Budnik Friday afternoon. They went out to Mount Clemens. I don't know where it was, but they run into the Chief of Police out there at Mount Clemens, so he had that alibi there. So, on Saturday, he had a wonderful alibi fixed up, and on Monday, when they identified the body—

The COURT. They found her Saturday afternoon?

The WITNESS. Yes; identified it Monday.

The COURT. Any publication in the paper didn't strike any note with him?

The WITNESS. No. It's been reported to me by the Detroit Times that when they found out who the body was, you know, they found out it was Mrs. Thompson, there was a woman reporter went to his office. She said, "Mr. Thompson, did you know the body they found was your wife?" He looked over at her, and said, "Is that so?" She said, "Yes." He said, "I don't want to talk to anybody," and picked up the telephone and called his lawyer. Whether that's true or not, I can't say, but Thompson, I don't think, killed his wife.

The COURT. No; he did not kill his wife, the chances are he didn't.

The WITNESS. He wouldn't. I mean, not the way she was cut up.

The COURT. Merely, did he lay the foundation that she would be killed?

The WITNESS. I think, your Honor, you will find this is the case: Lydia Thompson hired somebody to do just exactly what she threatened to do, disfigure Helen Budnik for life, and maybe work Thompson over to give him a little blessing, not to kill him. She had a violent temper, all right, but I think you will find, and it's all over that Lydia Thompson hired someone. That's where some of this money went to that we can't account for, and Lydia Thompson had, as I told you, an insane temper. I mean, if you made a deal with her, and you done something she didn't like, she would say, "I am going to the police and tell them." She would really get mean with you. I think that night, I really believe she met the Cocos. Maybe the Cocos are really responsible for it, or the Cocos took that woman to the people that really committed this crime. It wasn't a one-man crime. There's no doubt in my mind it was not a one-man crime. That woman had a stab in here, a stab in here up over the right eye, a stab in the right breast. There were 13 small holes in her stomach, and they didn't go through the girdle, and she did have on a girdle when she was found there.

The COURT. The holes did not go through the girdle?

The WITNESS. No; I saw the girdle.

The COURT. Where were the holes?

The WITNESS. The big holes went through the girdle.

The COURT. The big stabs?

The WITNESS. Yes. The 13 small holes that Cobb, the coroner, claimed were 2 millimeters, he cut into them, they were all the same depth, they did not go through the girdle.

The COURT. How could they hit the flesh? Were they under the girdle?

The WITNESS. The holes were in her stomach.

The COURT. Was that part of her stomach protected by the girdle?

The WITNESS. Why, sure.

The COURT. And when the small holes were found, it would appear to me they would penetrate the girdle too?

The WITNESS. They didn't.

The COURT. Off the record.

(Discussion off the record).

The COURT. You think, in your opinion, that this Tocco woman——

The WITNESS. Coco.

The COURT. How did you spell that?

The WITNESS. C-o-c-o.

The COURT. You think she knows the story?

The WITNESS. I think the whole three of them know the story, Mrs. Coco, Mrs. Gentile, and Mrs. Latonia. Now, your Honor, you said you wanted to visit that place out there. I would like to have you visit that place at night, I mean, after it's really dark. You'll find out, unless you show light, it would be impossible to have me on the ground and stab me, because you can't see your hand before your face.

The COURT. Did you ever know that subsequently to her death that a note was found written on a calendar in the house, and the note was in Russian.

The WITNESS. That's right.

The COURT. And did you see that?

The WITNESS. I didn't see the note, no, but I know it was found.

The COURT. You didn't discover it yourself?

The WITNESS. No, the sheriff.

The COURT. Was that before or after you——

The WITNESS. The sheriff got that diary before I got there.

The COURT. That's where now? With the state police?

The WITNESS. State Police, your Honor.

The COURT. It is in the custody of the law somewhere. What about that note?

The WITNESS. That note stated, "If anything happens to me,"—the way I got it—"If anything happens to me, see a man by the name of Perrone," and she also named Thompson as being responsible for it.

The COURT. In that note?

The WITNESS. That's right. I mean, that's the way I got it. Thompson's responsible for this. That's the way I got it.

The COURT. What connection is there between Perrone and the Gentiles?

The WITNESS. I am led to believe that Perrone is Mrs. Gentile's first cousin. Now, how it come about, I don't know on which side.

The COURT. Do you know who this Perrone is?

The WITNESS. Well, yes. Before I went to the Army, I left my agency, and they was having some trouble at U. S. Rubber——

The COURT. When did you go into the Army?

The WITNESS. 1943.

The COURT. What time?

The WITNESS. June 2nd, I believe it was.

The COURT. In 1943—let's see. Was that the time that trouble resulted in the big strike down there?

The WITNESS. No.

The COURT. Or was it the following year, the strike?

The WITNESS. The strike must have been when I was gone.

The COURT. The strike might have been in 1945.

The WITNESS. But the way I happened to know about Perrone, I went to U. S. Rubber. They built these large tanks for airplanes, rubber tanks, and they were being punctured. I was hired in there—I was in uniform, but as a detective.

The COURT. In plain clothes?

The WITNESS. No, in uniform, but a detective, to find out how the tanks were being punctured, but one night we had a fat fellow—I forget his name—we had a fire in the stove works.

The COURT. In the stove works?

The WITNESS. Next to U. S. Rubber, but we had the stove works at the time. We used part of it.

The COURT. U. S. Rubber had a contract with the government for these rubber boats?

The WITNESS. So we had a fire in a locker. A young fellow went down there with one of these little extinguishers, broke into this locker and here was some dynamite, a gun—I don't know what else was in there. So when the boy found this stuff he fainted, so we went down and got him.

The COURT. He fainted?

The WITNESS. Yes, the kid there, so it turned out Perrone was one of them that was arrested for it, and before the case was completed, I went to the army. I mean, I was shipped off. I don't know exactly what happened afterwards, but Perrone was one of them, and he had a gas station on East Jefferson somewhere. I know that much about it. Now, how he got out of it, I don't know.

The COURT. Do you know what his record is?

The WITNESS. I might as well admit it, yes, I know what his record is.

The COURT. What is it?

The WITNESS. He buys scrap from some of these factories, and he is also a man that is also supposed to have a few torpedoes working for him, and Briggs—he's supposed to be the man employes these men—if a man talks too much about a strike, he works these men over. As far as myself, swearing to that, I can't I don't know. But at least there hasn't been too many strikes at Briggs since he took over buying the scrap from them.

The COURT. Does he buy the scrap from Briggs?

The WITNESS. I was under that impression.

The COURT. Did you ever hear of the Carl Renda Company?

The WITNESS. No, I haven't.

The COURT. You don't know who Carl Renda is?

The WITNESS. No, I can't say I do, not by that name.

The COURT. What makes you think Perrone has a contract for the scrap at Briggs?

The WITNESS. Well, that's commonly known, I mean, throughout the east side of town, that Perrone is the man that's dealing in scrap.

The COURT. With Briggs?

The WITNESS. Not only with Briggs. I think he's got some other companies too, hasn't he?

The COURT. Who handles the scrap for Michigan Stove Works?

The WITNESS. I can't say, I don't know.

The COURT. But you have heard it as common gossip, Perrone has the scrap contract with Briggs and has other companies too.

The WITNESS. What I have been led to believe.

The COURT. Do you believe Perrone has anything to do with this Thompson case?

The WITNESS. Your Honor, I am not qualified to say. I think I have got my people.

Mr. GAREER. Who do you say did it?

The COURT. In whose handwriting was that note that was scrawled on that calendar?

The WITNESS. Supposed to be in Mrs. Thompson's.

The COURT. Did anybody ever check it?

The WITNESS. As far as I know, no.

The COURT. Have you, at your disposal, or can you acquire for us samples of the genuine handwriting of Mrs. Thompson?

The WITNESS. I may be able to do that, yes.

The COURT. Will you get that right away?

The WITNESS. From Mrs. Steele, yes. I might be able to get it. The letters have to be in Russian.

The COURT. I don't care what language it is written in.

The WITNESS. See, she couldn't write in English.

The COURT. What was this note on the calendar written in?

The WITNESS. Russian.

The COURT. Will you go to Mrs. Steele and get some samples?

The WITNESS. I will; I will try and get some off of her.

The COURT. I suppose Thompson himself would have some?

The WITNESS. I couldn't do nothing with him.

The COURT. This is off the record.

(Discussion off the record.)

(Witness excused.)

---

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Wednesday, January 8th, 1947.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.  
Reported by: Margaret Cameron, Reporter.

HOWARD SEILER and JAMES VAN LANDEGEND, of the State Police were duly sworn by the Court.

3:20 p. m.

GLENN ADELBERT MADDEN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. Your full name, please?—A. Glenn Adelbert Madden.

Q. Where do you live?—A. 13016 East Outer Drive.

Q. And by whom are you presently employed?—A. Jaloway Manufacturing Company.

Q. And previous to that you were employed by whom?—A. Briggs Manufacturing Company.

Q. How long were you employed at Briggs?—A. Thirty years.

Q. You started away back?—A. 1914, yes.

Q. What was your job at the time you retired from Briggs?—A. I was purchasing agent.

Q. Purchasing agent?—A. That's right.

Q. Previous to that time, what was your position?—A. Well, I was a purchasing agent about 20 years at that time.

Q. And was that in the same office or under Mr. William J. Cleary?—A. That was for 18 years under Mr. Cleary.

Q. So he was directly your superior?—A. Right, sir.

Q. Then, Mr. Cleary died in June of 1946, is that right?—A. That's right.

Q. And when did you leave the Briggs plant?—A. August, last August.

Q. You left some six weeks or two months after his death?—A. That's right.

Q. How long have you been in Detroit?—A. Since I was six years old.

Q. Since you were six years old, and were you acquainted with the purchasing department of Briggs Manufacturing Company?—A. Yes, sir.

Q. And was it part of the duties of the purchasing department to take care of the salvage of the Briggs Manufacturing?—A. At one time.

Q. Well, what was the condition on the first of January 1945?—A. At that time, I believe it came under the jurisdiction of another department.

Q. Do you know what that department was?—A. Well, it was the cost estimating department under Mr. Lilygren.

Q. Did you know Mr. George Herbert?—A. Yes, sir.

Q. He was the salvage man?—A. Right, sir.

Q. And he had been with the Briggs Manufacturing plant for some time?—A. A good many years, I don't know how long, but a good many years.

Q. And he had had charge of the salvage department?—A. That's right.

Q. And do you know the method that was used over a good many years of advertising the sale of the salvage of the Briggs Manufacturing?—A. No, sir; I do not.

Q. Do you know any changes that were made in the sale of salvage on or about the second quarter of 1945?—A. No, sir; I do not.

Q. Do you know of this contract that was entered into between the Briggs Manufacturing Company and the Carl Renda Company?—A. No, sir; I do not.

Q. Did you ever see that contract?—A. No, sir.

Q. Where was your office located as to Mr. Cleary's office?—A. At the Mack Avenue plant, I was right next door to his office. At the Outer Drive plant, I was three offices away.

Q. How long had you been at the Mack plant?—A. We were at the Mack plant all through the years until, I would say, about May of 1946.

Q. May of 1946. So that your office in the year 1945 was adjoining that of Mr. Cleary's.—A. Well, in the year of 1945, part of the year it was, and then they moved me down one office to make more room.

Q. Either adjoining or one office away?—A. That's right.

Q. Did you ever have any conversation with Mr. Cleary relative to this salvage contract?—A. No, sir.

Q. Did you know that this new company had come in?—A. I didn't, sir.

Q. You are acquainted with Mr. Cleary's signature?—A. Yes, sir.

Q. I show you Grand Jury Exhibit 1, and ask you if you recognize the second signature?—A. Yes, sir.

Q. That's Mr. Cleary's signature?—A. Definitely, yes.

Q. No question about it?—A. No question about it in my mind.

Q. To your knowledge, how long had Mr. Cleary had to do with the contracts on salvage?—A. Well, as I remember it, it was taken away from Mr. Lilygren, I never knew why, and put under Mr. Cleary.

Q. Do you know when that happened?—A. It seems to me that it was in 1946. I am not positive—some time in 1946, but I am not sure.

Q. Could it have been in 1945?—A. It could easily have been in 1945.

Q. But to your knowledge, up until this change was made, it was always in the hands of Mr. Lilygren, is that right, the contacts for the sale of scrap?—A. As far back as I can remember, yes.

Q. And then, within the last two years sometime, that was changed, is that right?—A. That's right.

Q. On whose orders, if you know?—A. I wouldn't know the man, but I assume that probably would be the general manager.

Q. Who was the general manager at that time?—A. The general manager at that time was W. P. Brown.

Q. He was president?—A. That's right, sir.

Q. Was he also general manager?—A. Yes.

Q. What office did Dean Robinson hold at the time?—A. Assistant general manager, I think.

Q. He was assistant to Mr. Brown?—A. That's right.

Q. Do you know whether it was at the orders of Mr. Brown or Mr. Robinson?—A. No, sir, I do not.

Q. But you think there were orders by either one of those two gentlemen?—A. I would think it would have to be.

Q. Do you know when Mr. Brown left the employ of Briggs?—A. Well, Mr. Brown—let's see. Well, he left in 1946.

Q. Do you know why he left?—A. No, sir.

Q. Did you ever hear any rumors as to why he left?—A. Yes, I have heard some rumors.

Q. What were the rumors that you heard?—A. Drinking.

Q. He was drinking to excess?—A. Yes.

Q. Did you also hear the rumor he resigned or he was discharged?—A. Resigned.

Q. That is, he quit of his own will.—A. Yes.

The COURT. How old a man was Brown?

The WITNESS. Brownie is about my age, is about 46.

The COURT. He was quite young at the time, wasn't he?

The WITNESS. Yes, sir, that's right, too young to retire.

By Mr. GARBER:

Q. Did you have anything brought to your attention relative to certain beatings that took place, oh, from March 1945 up through 1946, where four or five people were severely beaten at the Briggs Manufacturing?—A. Well, of course, as far as Briggs is concerned, in my position I come in no contact whatsoever with employees or anybody in the plant, or shipping or receiving, and as far as beatings are concerned, why, up in the office where I was, you heard of numerous beatings. That might happen any day with union strikes, and you know there have been many, but any particular one, I don't know anything about.

Q. Well, we are referring to rather severe beatings, one instance, for example, a man had six skull fractures. That's not an ordinary fight or beating, but something of a serious nature?—A. Well, once in a while we would get word some colored fellow would hit a white boy, maybe fractured his skull, maybe get beaten.

Q. They are all of the same pattern, people had their arms broken or legs broken?—A. No, I wouldn't be in position to come in contact, to know that.

Q. You never read of anything of this kind in the paper, about Kenney Morris or the Dollingers or Vega or Snowden, any of those people, you never recall reading about that?—A. No. The truth of the matter is there were so many strikes, and beatings at Briggs, I wouldn't ever bother to read the paper about it, to be perfectly frank.

Q. How long did that continue where there was labor strife and many unauthorized strikes?—A. It still continues, as I understand it.

Q. Was it particularly bad in 1945?—A. Yes, no question about it.

Q. And do you have any idea of the number of lost work hours that were suffered by the Briggs Manufacturing due to unauthorized strikes in 1945?—A. No, but I know they were tremendous. I couldn't tell you that, because I don't know that.



Q. Would 1,600,000 be about right, in your opinion?—A. It seems like a lot.

Q. Well, so far in 1946, if that was reduced to approximately 600,000, in other words, a saving of a million lost work hours, would you know any reason why that would be?—A. No.

Q. Information we have is there was approximately 1,600,000 lost hours in 1945 through unauthorized work stoppages. So far, well, practically the entire year of 1946, there was approximately 600,000 hours lost by unauthorized strikes, which makes a difference of 1,000,000 work hours of unauthorized strikes. Do you know any reason why there should be such a decided decrease in unauthorized strikes and lost work hours in the Briggs Manufacturing?—A. Well, the only opinion I could give on that would be through experience I have had there, being a key manufacturing plant to other organizations. Up to now they haven't generally, or, at least, in 1946, they didn't pick on Briggs as much as they did previous to that time.

Q. Do you know any reason why that was true?—A. No, sir; I wouldn't know that.

Q. Did you ever have Mr. Cleary mention to you that there were any contracts with the king of the waps and the Briggs Manufacturing plant?—A. No, sir.

Q. Did you ever hear him mention the name of Carl Renda?—A. Carl—

Q. Renda, R-e-n-d-a?—A. No, sir.

Q. Mr. Burt was Mr. Cleary's secretary.—A. Yes, sir.

Q. Was he also your secretary?—A. No, strictly Mr. Cleary's secretary.

Q. And you never met Mr. Renda?—A. No, sir.

Q. And you didn't know there was any changes being made in the salvage about the second quarter of 1945?—A. Wait a minute, now. Maybe we are going back—was Renda the man that was there before Herbert?

Q. No, he's not an employee of Briggs Manufacturing at all.—A. Pardon me, sir.

Q. An Italian lad that took over the salvage, ferrous, nonferrous, rags, paper, and everything else.—A. I will have to say no to your last question now.

Q. See, previous to that time the scrap was handled by the high bidder, there were several companies, Woodmere, Continental, and Levine, all receiving a portion of the waste material, and this contract which I showed you—A. Yes, sir.

Q. Grand Jury exhibit one, was entered into by Mr. Cleary. You have identified his signature, by which all of this stuff went to the Carl Renda Company.—A. No, I didn't know that.

Q. So that one man had the contract with Briggs. It was a deal whereby the same people still continued to take it out, but the Carl Renda Company was a middleman in there, at a handsome profit to himself, and what I am interested in is why the Carl Renda Company was interjected between the Briggs and the same people that had been hauling the scrap for years, so that he could make himself \$75,000 in a short time.—A. I didn't even know there was such a man as Carl Renda.

Q. Well, just what were your duties as purchasing agent?—A. My duties as purchasing agent—originally I set up the purchasing system at Briggs, which they operated on and are operating on. Mr. Cleary was not a detail man. I was, so-called, in the automobile business. I was trim purchasing agent—cloth, leathers, springs, rubber, anything that goes into the making—paints—making and trimming on automobile bodies.

Q. What were Mr. Cleary's duties?—A. He was director of all purchasing agents.

Q. He was director of all purchasing, and you had direct charge of the trim?—A. That's right.

Q. Now, can you tell me why they would mix the sale of salvage which runs into quite a sizable amount of money, in with the purchasing department?—A. The only reason I could see, that they did that, at least at the time I understood they turned it over to Mr. Cleary because it wasn't being handled properly.

Q. Did you hear any statement as to who was handling it improperly?—A. I can only answer that by going back to another answer I made. George Lilygren was in charge of it.

Q. Did you hear anything detrimental to George Herbert?—A. Yes, I have.

Q. Against his honesty, integrity?—A. Against his honesty and integrity, no, I never did until he left.

Q. There was some scandal relative to he and his secretary.—A. Yes.

Q. What did you hear?—A. As I heard, he got into some mix-up in the selling of scrap. It wasn't official from anybody; just general talk. The real reason for him leaving, I never did find out.

Q. You knew nothing against him personally.—A. George was a very fine fellow.

Q. Do you know anything about his secretary, detrimental to her, that she should be discharged at the same time?—A. I didn't even know his secretary.

Q. Did you know anything about this audit that was made by the federal government as to why certain materials were disposed of by the Briggs Manufacturing plant at a lesser price than they were entitled to?—A. No, sir; I don't know that.

Q. Did you know certain money's were paid to the federal government and this loss on the salvage was absorbed by Briggs Manufacturing Company?—A. No; I wouldn't know that.

Q. You never heard anything about that?—A. No; I would be in no position to know anything about it.

Q. Did you resign from Briggs?—A. Yes, sir.

Q. As I understand, or have been informed, you were supposed to take over Mr. Cleary's job?—A. By most of the officials of the company, I was picked to take over Mr. Cleary's job.

Q. That didn't come about because of certain contracts of Mr. Cochrane?—A. I don't know why, but I wasn't picked.

Q. Results are what count?—A. That's right.

Q. Well, do you know of any reason why the Briggs Manufacturing Company would want to have a contract with the Italian element?—A. I wouldn't know, I am sure. There isn't any reason why there should be.

Q. Well, that's your thought, but we don't agree with you.—A. Yes.

The COURT. You mean, you know of no reason?

The WITNESS. That's right, sir.

The COURT. If there was a contract between Briggs and the Italian element, obviously there was a reason.

The WITNESS. No doubt there probably was.

By Mr. GARBER:

Q. In the course of your dealings with Briggs Manufacturing, when a new man or new concern came to do business with you, was it the policy of the Briggs to investigate their financial status, and so forth?—A. Of course, there are two types of buying. Are you talking from the purchasing angle now, or the sales angle?

Q. Either one.—A. The policy from the purchasing angle—there are two types of purchasing, nonproductive purchasing and productive purchasing. In the line of nonproductive purchasing, where it doesn't involve leases, except in big equipment, as it does in productive purchasing, millions and millions of parts, you are not as close on checking, but where it involves an agreement around a heavy schedule, there is only one thing you can do, that is find out their financial standing and their capabilities.

Q. Do you know whether or not the removal of the scrap by proper methods of removal and proper trucks and cranes, to keep it out of your road is important to Briggs?—A. It is important.

Q. To keep it out of the road.—A. It would be very important, because in dollars and cents floor space means a lot to a company like that, and they don't have much.

Q. The company wouldn't want to enter into a contract with someone who didn't have the facilities to remove this scrap as rapidly as possible, would they?—A. Well, I wouldn't think so.

Q. Well, if you were giving such a contract, you would be interested in investigation as to the equipment the man might have?—A. That would be the first thing. In other words, it's dollars and cents. If you made a deal on a thing like that, the first thing you would have to do is find out who was making the deliveries and pickups. You couldn't charge it to Briggs.

Q. And if the man had no equipment, trucks, cranes—A. It wouldn't make a good deal in my eyes, as purchasing agent.

Q. Then, even, supposing they had the equipment, would you investigate further as to who they might have dealt with?—A. I would say, in the case of scrap, and I have never handled it in all the years I have been buying, in the case of scrap where it involves as many dollars as it does, there should be a thorough check on every angle of it, because after all, the ultimate is the dollar spent or the dollar gained.

Q. Then you wouldn't think it was a good contract if where the man, when he received the contract, was still an employee at \$1.55 an hour in another

plant, had no trucks, no office—you would say it was a poor contract?—A. Definitely, I would say it was a poor contract.

Q. Can you explain why Mr. Cleary would enter into such a contract as that?—A. I have known Bill for a long time. I wouldn't know.

Q. Would you consider Mr. Cleary a good executive?—A. That's a tough one. Q. Well, he wasn't a careless man in handling big matters, was he?—A. No; I think he was a good executive.

Q. Do you think if he entered into such a contract as that, he would get his orders from higher up, rather than on his own?—A. Knowing Mr. Cleary as I do, I would say, "yes."

Q. You know nothing detrimental to Mr. Cleary. He is not here to defend himself?—A. Nothing whatsoever.

Q. We are not interested in doing anything to blot his memory in any way. Naturally, we have to go to a man like you, who was associated with him, to find out what is back of anything like this.

The COURT. If Briggs entered into a contract for the sale of scrap, with a young man in his twenties, no experience, no money, no equipment, and the same scrap could be sold for, say, approximately, \$14,000 per month more, you would think it was kind of funny, wouldn't you?

The WITNESS. I would say it was definitely funny.

The COURT. And if that same young man got that contract, and then the former people that used to buy it direct, bought it from him and took it away in their own trucks at a higher price than he got, that would look a little strange, too, to you, wouldn't it?

The WITNESS. Very strange.

The COURT. And from what you knew about Cleary, you wouldn't expect him to sign such a contract, would you, on his own?

The WITNESS. No; I don't see how Bill Cleary could sign such a contract.

The COURT. Because, if he did that on his own initiative, and it came to the front office, he would be putting himself in a very precarious predicament.

The WITNESS. I would say, yes, he should be fired.

The COURT. He really should be fired.

The WITNESS. Yes, sir.

The COURT. And if the policy of the Briggs Company for many years had been to submit the sale of that scrap to bidders, and the highest bidder always got the scrap, and that policy was abruptly terminated, and a contract given to such a young man, you would think that was funny, wouldn't you?

The WITNESS. Very funny.

The COURT. And in your opinion, a man like Cleary wouldn't sign such a contract unless he had orders from higher up?

The WITNESS. That's my opinion, I would think, knowing Bill Cleary as I did.

The COURT. Now, before that contract was entered into, the lost man-hours from wildcat strikes and otherwise, amounted to, in 1945, one million, six hundred thousand man-hours, and after that contract was entered into, those lost man-hours were cut away down so that they were about 600,000; so after the contract was entered into, there was a million lost man-hours salvaged. Would that strike a keynote in your mind?

The WITNESS. Very definitely.

The COURT. Part of the consideration of that contract, of that peculiar contract, was to put the quietus on wildcat strikes?

The WITNESS. It would to me.

The COURT. Then if there were six terrific beatings of members closely associated with 212, the Briggs union, and the same method had been used, one man with a broken skull, in six or seven places, legs broken, arms broken, and one woman beaten severely in her bed, lying beside her husband, would that lead you to toss the combination of the possibility, the consideration of that contract carried with it an obligation on the part of the contractee to keep labor disturbances and lost man-hours at a minimum?

The WITNESS. That would be my way of thinking.

By Mr. GARBER:

Q. Now, as a matter of fact, don't you know how this contract came about?—A. No, sir.

Q. Don't you know who gave Bill Cleary these orders to enter into this contract?—A. No, sir. I tell you the reason I don't know that. May I talk that way?

Q. Yes.—A. The reason I don't know that, there were three things—I say three things—two things—three things, yes, three things Bill Cleary never let any of his assistants, and we were assistants rated purchasing agents, in on, one was scrap. This is over a period of 18 years—one was scrap, one was large equipment, like machinery, and the other was buying of transportation, like trucks. Now, those three things were handled strictly 100 percent by Mr. Cleary himself, and we were never called in, at least, I wasn't called in on any deal that involved those three things. That's probably why I appear so dumb on scrap, but that is a fact.

Q. You are not alone on being ignorant on the facts in this case, because we have talked a lot of people, because this deal was not too much discussed, there was not too much knowledge of the whole thing. I want you to feel at ease on that point. But when you entered into a contract like scrap, that involved a large amount of money, did you usually have it looked over by the company lawyer?—A. As far as scrap, I don't know.

Q. How about your other dealings?—A. You mean on a sale?

Q. Yes, or where you entered into a contract that involved a good deal of money?—A. Purchasing or otherwise.

Q. Yes. Would you have the company lawyer look it over?—A. No, no.

Q. Would you have any legal advice?—A. You were open to take legal advice as a purchasing agent.

Q. Was a lawyer available?—A. Yes. You consult them at all times.

Q. Would you consider a contract that run into a million or a million and a half a year as far as Briggs is concerned, a contract of sufficient importance to take it to a lawyer?—A. I have entered into contracts for twenty million dollars and never went to a lawyer.

Q. Well, just for the fun of it, read this last paragraph on this exhibit 1 and give me your interpretation of that.—A. Well—

Q. What does that mean to you?—A. I mean, there isn't much sense to it.

Q. That's your time element there.

The COURT. That's your \$64 question.

The WITNESS. In other words, the Carl Renda Company agrees the above mentioned agreement will continue in effect as long as business relations exist.

The COURT. What does that business relations—what does that mean to you?

The WITNESS. Well, I can see what it might mean.

The COURT. See, Briggs doesn't agree to do anything.

The WITNESS. I can see what it might mean.

The COURT. Carl Renda is agreeing to something. It lacks mutuality.

Mr. GARBER. That's fixed by an undergraduate lawyer who never was admitted to the bar, never completed his course.

The COURT. If you had a contract like that involving about a million and a half dollars, would you go to your lawyer for a little interpretation?

The WITNESS. You would have to.

By Mr. GARBER:

Q. Well, I can't interpret it and I have practiced law a little while, and I know the Judge has practiced law over 40 years.—A. No, that you would have to.

Q. Well, you would say that this contract in the form that it is in, is highly unusual, at least, would you not?—A. At least, I wouldn't enter into anything like that.

Q. Did you usually date your contracts?—A. Oh, definitely. To be perfectly frank, that's the silliest looking contract I have ever seen.

Q. Would it make it look any sillier to you, if you knew the people in back of it are well known Italian gangsters?—A. Probably.

The COURT. Maybe you could show him some of those pictures, see if he has seen them around the plant.

By Mr. GARBER:

Q. As I say, this is not going out of this room. We have a job to do.—A. Yes, sir.

Q. We are not out to hurt anybody.—A. Yes, sir.

Q. But after all, we are spending your money in this investigation.—A. That's right, sir.

Q. And nobody wants to talk. The bigger the man is, the less he wants to tell you, although at one time I remember when they all were hollering. Now, they don't want to tell us anything. We have a terrific job to try to accomplish. Can you tell us anyone who may now be in the Briggs plant or was in the

Briggs plant about the time this contract was entered into, that could give us some enlightenment.—A. You mean, from the contract standpoint.

Q. And what might be the reason back of such a thing.—A. The only man I could mention, who would be in on a labor situation, would be Mr. Resch.

Q. He also left over there?—A. Yes. I guess he is president of some foreman's organization.

Q. Yes; he's right across the street.—A. He's the only one I can see would, because on labor relations, he handled all that.

Q. I suppose Mr. Brown would really know what's in back of that?—A. Well, I have known Brownie for a good many years, and I don't know—I can't—I don't see how Brownie would enter, get into a deal like that.

Q. Certainly, W. O. himself wouldn't go into it?—A. Definitely not.

Q. How about young Spike?—A. No; I wouldn't say Spike would.

Q. Well, your process of elimination is pretty near over. It wasn't Brown and it wasn't Mr. Briggs Senior, and it wasn't Spike Briggs either. You are down to Brown or Dean Robinson.—A. Not necessarily. You have the other officials of the company.

Q. You have Blackwood.—A. You have Lundberg—I am naming the officials of the company.

Q. I appreciate that. That is Mr. Lomberg?—A. Lundberg.

Q. He had it after Mr. Cleary?—A. No; Mr. Lundberg, he was chief engineer. He's on the board of directors.

The COURT. Supposing that contract was signed on behalf of Briggs by Cleary reluctantly, and he pointed out Renda and said, "He is king of the waps," and that Cleary signed his name reluctantly, who in 1945 would give him the orders, would be likely to give him the orders, that's the contract, and that's the way the scrap would be handled hereafter.

The WITNESS. A combination of three men. It could be Lundberg, Brownie, and Dean Robinson, it could be them altogether, and it could be them singly, and he would have to take orders from any one of the three.

By Mr. GARBER:

Q. Do you know any of those gentlemen?—A. No; I have never seen them.

Q. Do you live on the east side?—A. East Outer Drive.

Q. They live out your way, they're neighbors of yours, Beaconsfield—

The COURT. Yorkshire.

The WITNESS. I am on Outer Drive.

By Mr. GARBER:

Q. They are neighbors of yours.—A. The fellow on the end is a lovely looking creature.

Q. He's the father-in-law of Carl Renda. He's got about \$32,000 invested in this deal.

The COURT. There's the man that has the scrap contract with the Michigan Stove Works.

(Discussion off the record.)

The WITNESS. I would say in my own personal opinion, Bill Cleary didn't sign that himself.

Mr. GARBER. That's what we believe—what we want to believe, because we feel Mr. Cleary was a very high caliber gentleman. We think if he signed it, he signed it on orders from somebody higher up.

The WITNESS. Definitely, because in the 18 years I was with Bill, I never seen him pull a shady deal of any kind.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Just on the record, will you give us the three people again you think, collectively or individually, would give Mr. Cleary his orders.—A. I would say W. P. Brown, Dean Robinson, or Everett Lundberg, any one of the three.

Q. Or all three?—A. Or all three.

The COURT. What's that last name?

The WITNESS. Lundberg.

The COURT. Is he still there?

The WITNESS. Yes; on the board of directors.

By Mr. GARBER:

Q. But you would eliminate Mr. Briggs Senior and Spike?—A. Unless it was done by telephone, I don't think W. O. would do it. During all the years, he

didn't do anything like that, and Spike was bobbing around with no authority, which he hasn't yet.

The COURT. Do you want Mr. Madden any more?

Mr. GARBER. I think that's about all.

(Witness excused.)

---

STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the city of Detroit, Michigan, on Friday, January 10, 1947.

Present: Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

10:50 a. m.

LOUIS FREEDMAN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. State your full name.—A. Louis Freedman.

Q. Where do you live, Mr. Freedman?—A. 18272 Fairfield, Detroit.

Q. How old are you, Mr. Freedman?—A. 43.

Q. What is your business?—A. Scrap iron and metal.

Q. And what is the name of your company?—A. Woodmere Scrap Iron and Metal Company.

Q. Where is it located?—A. 9101 West Fort Street, Detroit.

Q. Is that a partnership or corporation?—A. Partnership.

Q. Who are your partners?—A. Harry and Dave Freedman.

Q. One your brother and one your father?—A. Yes.

Q. Which is which?—A. Harry Freedman is my father. Dave Freedman is my brother.

Q. How long have you been engaged in the scrap business?—A. Oh, for 35 years.

Q. And did you have an account previous to 1945 with the Briggs Manufacturing Company?—A. Yes, sir.

Q. How long had you had that account?—A. Oh, I would say in the neighborhood of 18 years.

Q. How did you obtain that account?—A. Well, we were invited to bid on the material.

Q. How many years did you say?—A. I imagine about 18 years. We were invited to bid on the material by the salvage man of the Briggs Manufacturing Company, and likely must have been the high bidder, because they awarded us the material.

Q. It was on competitive bids?—A. Yes.

Q. And you bid how often?—A. Oh, they varied from three months to six months, and sometimes they would let the bids—the bids overlapped each other, and they wouldn't accept the bids for as much as a year in the period, but prices would likely be adjusted according to the markets.

Q. But you always bid for the materials?—A. Practically so.

Q. What materials did you bid on?—A. Primarily scrap iron and metals. I would say primarily scrap iron.

Q. That is the ferrous metals?—A. That's right.

Q. You didn't bid on the nonferrous?—A. That's right.

Q. And you had that contract under that system for approximately 18 years?—A. Yes.

Q. Then what happened along about the second quarter of 1945?—A. Well, we thought then also that we had the materials, but I think about six or seven or ten days after the bidding period was over, or the time that Briggs sup-

posedly closed the bids, and if I recall right, it was inferred we were awarded the material by the reason not so much of a black and white contract, but we had been in the process and continued to haul the material, which sort of signified to us to continue on.

Q. Did you haul for sometime the fore part of April 1945?—A. That's right.

Q. Was that 1944 or '45?—A. 1945.

The COURT. You had the contract?

The WITNESS. We had it.

The COURT. The contract as the result of the new bidding the first of April 1945, but nothing was said to you and you continued right on with the assumption you had it.

The WITNESS. Expecting during those 18 years, I think there was once or twice, a period, where someone had the business for sixty or ninety days. I don't recall but there was some periods.

The COURT. We understand there was a break in there.

The WITNESS. Yes.

By Mr. GARBER:

Q. Well, then, you continued to haul, and when were you first notified you did not have the contract in April 1945?—A. Well, I don't recall the date, but seems the first quarter would have ended March, the end of March, and then perhaps the first week of April, I was out of town and happened to call our office, and I was informed that other people had that business, or that business was turned over by Briggs to other business somewhere around the 10th of the month, if I recall.

Q. The 10th of April?—A. Yes.

Q. And that business was turned over to whom?—A. Well, I was told it was turned over to the people who was hauling the material or had the contract with Detroit-Michigan Stove Company.

Q. That would be who?—A. That was Sam Perrone.

Q. Yes.—A. But I immediately got hold of—I say, "I", it might have been a brother of mine who contacted the salvage man of Briggs Manufacturing.

Q. What was his name at that time?—A. His name was George Herbert, and that was his information to us. Well, I contacted Sam Perrone and was informed that it was Carl Renda who had this material. Now, the reason I contacted Sam Perrone was that his name was often mentioned in the parade of hauling that Detroit-Michigan Stove Company, so I made my meeting with this Renda, this Carl Renda.

Q. Well, did you ask to meet Carl Renda when you talked to Sam Perrone?—A. No, I didn't know him. I was told it was he who has it, not Sam Perrone.

The COURT. Who told you?

The WITNESS. Sam Perrone.

The COURT. But up to that time—

The WITNESS. Up to that time I was informed, rather, or understood or assumed it was Perrone since they were the people handling the Detroit Michigan Stove Company scrap.

The COURT. Your information was these same people were taking the scrap from Briggs as were taking it from Michigan Stove?

The WITNESS. That's right.

The COURT. And you knew Sam Perrone was taking it from Michigan Stove. Naturally you went to him.

The WITNESS. That's right.

The COURT. When you went to him, he said he was not doing it, but Carl Renda was.

The WITNESS. That's right.

The COURT. Did he tell you who Carl Renda was?

The WITNESS. No.

The COURT. Do you know now?

The WITNESS. Yes, I do.

By Mr. GARBER:

Q. Well, then, after you learned that Carl Renda actually had the contract, what did you do relative to this matter?—A. I immediately made a meeting with him.

Q. How did you arrange that meeting, Mr. Freedman?—A. It's rather faint, excepting that when Mr. Perrone told me it was Carl Renda that had the material, I believe I spoke to him—in fact, I know I spoke to him on the phone and

made the meeting to meet him at the Statler Hotel, or wherever it was convenient for him, and we met there anyway.

Q. And who was at that meeting, Mr. Freedman?—A. Oh, myself and he brought Sam Perrone with him, and I had a brother Tom along with me also, a fellow that works in my yard.

The COURT. What part of the Statler did you meet him?

The WITNESS. In the Cocktail Lounge.

By Mr. GARBER:

Q. What arrangements, if any, were made at that meeting?—A. Well, at that time, they took—I would say he took the attitude that if, Renda, that he care to deal with us.

The COURT. You had the scrap until about the 10th of April?

The WITNESS. Yes. It probably was closer to the 8th.

The COURT. When did this meeting at the Statler take place?

The WITNESS. Well, it was after then—probably close to the 10th.

The COURT. Just day or two?

The WITNESS. Yes. No, I would say, pardon me, there was a lapse of four days there, three to four days.

The COURT. In other words, from the time you lost the contract until you had the conference with Renda and Sam Perrone in the Statler Hotel, about three or four days elapsed?

The WITNESS. That's right.

The COURT. Who was handling the stuff at that time?

The WITNESS. Well, I understand that it just kind of lingered or accumulated there. Indirectly, I was informed some of the scrap firm trucks were used, oh, sparingly, to haul some of the material after it was awarded to Renda.

The COURT. It piled up there?

The WITNESS. Accumulated at the Briggs plant generally.

The COURT. Getting under their feet?

The WITNESS. That's right.

The COURT. Now, a man who comes in on a new deal—there's an old aphorism, that is, a new broom sweeps clean. This was just the opposite to that. In other words, you would take it out from day to day?

The WITNESS. That's right.

The COURT. But here's three or four days with a brand new man coming up on a contract, and it started to pile up on him.

The WITNESS. That's right.

The COURT. Let's get back to the Statler Hotel.

By Mr. GARBER:

Q. Tell us the best of your recollection of the conversation. You say Renda didn't appear to want to do business with you. What conversation did you have with Renda and Sam Perrone that you recall?—A. Well, I wasn't bashful at all in telling them I was dumbfounded to learn that they were awarded this material.

Q. Did they give you any reason why they were awarded it?—A. I think I will get to that.

The COURT. And let's have their reaction to what you talked to them about.

The WITNESS. And they felt that was no concern of mine, and in fact, they preferred—I say, "they," particularly Renda, preferred not even to discuss dealing with me. I believe I prevailed on him to sit down, have a drink, and let's see if we can't get together in this deal. I had reasons for it. It's the custom of the scrap trade, not only to haul scrap and process and prepare it, as it is, but in very many instances, we will haul that material and ship it and have a reciprocal deal with the mills, so we are always making commitments with anticipated tonnage, we would collect. I couldn't tell him that, but I was practically to the point of begging him for the material.

The COURT. When you say, you were making commitments, you would get raw steel back.

The WITNESS. Not raw steel, but perhaps new steel back, where we could make a profit on by shipping freely to the mills, and consistently. They would probably have more tolerance with our material, in accepting it more raw or less prepared than other dealers would. We knew pretty much what our consumers expected from us, and I think they were more tolerant with our shipments than others.



The COURT. In other words, you had the contract for 18 years?

The WITNESS. Yes.

The COURT. You had the equipment?

The WITNESS. Yes.

The COURT. This new contract with Renda stopped you cold in your tracks?

The WITNESS. Positively.

The COURT. You knew the trade?

The WITNESS. That's right.

The COURT. You knew where to deliver this stuff; you knew just about how much you could deliver, what would you get for it? And you would practically figure month to month what your net profits were?

The WITNESS. Well, it wasn't so much on the net profit basis. You can't anticipate this business, because it is no sequel to any other line, but we just needed that material to complete our commitments, and especially when the time had gone over the period and we were hauling material after the contract time, we naturally governed ourselves accordingly and made commitments.

The COURT. When you say, "You made commitments," what do you mean by that?

The WITNESS. Today we are in open markets, and we sell scrap in certain tonnage and have to deliver it in a certain period of time.

The COURT. You committed yourselves to deliver so much tonnage of scrap iron to these various mills?

The WITNESS. That's right.

The COURT. If you didn't get it—

The WITNESS. Well, we would have to go out in the open market and get it someplace and pay bonuses for it.

The COURT. Or else, if they were tolerant with you, it would be very embarrassing?

The WITNESS. That's right.

By Mr. GARBNER:

Q. So you invited Renda to come on, be comfortable for a few minutes, to see if you couldn't make this deal, because you needed it?—A. That's right.

Q. And naturally, figuring he had the whip hand, you started making concessions?—A. That's absolutely so.

Q. What concessions did you make?—A. Well, the concession we made—the inference was he had bought the material on practically our basis of previous paid prices, and it was voluntary on my part that I offered him \$2 a ton over the price they were paying for it, and we would service it for him.

Q. What does it cost you to service a ton of scrap, do you know?—A. Oh, I think it varies, but today, it is an average, about \$5 a ton.

Q. So you agreed to pay him by servicing the account and paying him an additional \$2, approximately \$7 a ton more than he would be paying for it.—A. No. I had to service it anyway.

The COURT. But you were taking that headache off him?

The WITNESS. That's right.

By Mr. GARBNER:

Q. It meant that to him. If it cost you \$5 to do that, he would be making \$7 a ton?—A. No.

The COURT. This is off the record.

Mr. GARBNER. Let's get this straight.

(Discussion off the record.)

By Mr. GARBNER:

Q. So do you have any idea how many tons you were handling per month about that time, of ferrous metals?—A. Well, I think at that time it was in the neighborhood of five, six, seven tons a month.

Q. So that was costing you somewhere from \$1,000 to \$1,400 a month for this deal?—A. That's right.

Q. Which made practically a net profit for Mr. Renda?—A. Oh, yes.

Q. Because he didn't have anything to do but a little bookkeeping?—A. That's right.

Q. And so, because of these commitments, you were willing to make that concession to him, is that right?—A. That's right, because of the commitments as well as anxiety of retaining the business, hoping that perhaps in the near future a change would take place, where we would be back in there on our own.

The COURT. In other words, what you were trying to do was—

The WITNESS. Stay put.

The COURT. —make the best of a bad situation.

The WITNESS. Yes, we were informed by Briggs Manufacturing, practically, by their salvage man, if we stayed put, he would be told to give it back to us.

The COURT. George Herbert?

The WITNESS. He figured four or five days would go by, and he would be told to give it back to us, but I didn't want to take that risk, because I had to take, by his conversation he didn't want to deal with me, and wasn't kidding me. I could see they wanted to steer clear of me, and it was me prevailed on them on account of the circumstances.

By Mr. GABER:

Q. You said you were going to enlighten us as to how they got that contract—A. I think after, he didn't take the attitude it was none of my business, but frankly, I never delved into it. I tried in my way and learned nothing.

Q. You don't know how that came about?—A. That's right.

Q. How long did this deal continue that you handled the scrap and paid them so much over what you were bidding? Is that still in vogue at the present time?—A. That's right.

Q. So that deal with some variations has been going from some time in April 1945 up to the present time?—A. That's right.

Q. And you still continue to remove the stuff in your own trucks?—A. That's right.

Q. And subsequent to that time, Renda did obtain some tractors and trailers?—A. That's right.

Q. His name was painted on them?—A. That's right.

Q. You leased those?—A. That's right.

Q. And you pay \$1 a ton for every ton of scrap you haul with that equipment?—A. That's right.

Q. Is that still besides the \$2 a ton differential?—A. Yes.

The COURT. You furnish the drivers for the tractors?

The WITNESS. I furnish everything but the license, as I recall.

Q. You carry your drivers on compensation, maintain the trucks, keep them in good repair?—A. That's right.

Q. Furnish any insurance, liability insurance?—A. I think we carry a blanket on them for our own protection. He may have some insurance. I think it is a combination, if I recall, but he had the trucks, and I believe they were insured, so we were told. Now, when the time goes by, that that policy expires, I am not sure who pays the premium on that again.

The COURT. As I understand it, you are using the trucks and trailers now that belong to Renda?

The WITNESS. Some.

The COURT. Not all?

The WITNESS. That's right.

The COURT. Some are your own vehicles?

The WITNESS. That's right.

The COURT. And some of them are his?

The WITNESS. That's right.

The COURT. And those that are his, have his name on them?

The WITNESS. That's right.

The COURT. And those that are yours have your name on them?

The WITNESS. Either our own name or no identification.

The COURT. And they are driven by your own employees?

The WITNESS. That's right.

The COURT. You pay the employees?

The WITNESS. That's right.

The COURT. You maintain these trucks, keep them up?

The WITNESS. That's right.

The COURT. Also furnish gas and oil?

The WITNESS. Everything.

The COURT. And carry some protective insurance?

The WITNESS. That's right.

The COURT. And he may carry some himself?

The WITNESS. That's right.

The COURT. But the drivers, if they meet with some mishap, they are your men, and it is your contract of workmen's compensation they work it out under?

The WITNESS. That's right.

The COURT. How many trucks of his have you got?

The WITNESS. I think five.

The COURT. Has any other scrap iron man got any?

The WITNESS. Of his?

The COURT. Of his.

The WITNESS. Not that I know of, but I think he has one more truck with his name on it. I think he has six total.

The COURT. What is the volume of business you get now?

The WITNESS. It's increased substantially. I think it is over two thousand tons a month.

By Mr. GARBER:

Q. Ferrous?—A. Yes.

Q. What is your differential now? What are you paying him?—A. Today we took the base price of the original contract and set up a deal where, if the market would increase or decrease, we would each receive—that would be shared equally, and those prices—

The COURT. What do you mean by that?

The WITNESS. See, at the time originally, when we went into this deal, we had the OPA ceiling price on scrap. Well, anticipating the OPA would be removed back last summer, and temporarily it was removed, and that's the time we took his trucks on, we then set up a new contract where we put it on a market basis. In other words, we had a flat price in effect for the scrap, according to grades. Those grades are listed in Iron Age, which is more or less the bible for the scrap when the OPA doesn't control it, and it is customary to buy and sell scrap on that magazine. So, we set up a fair arrangement in the interim, we would adjust the price according to the market.

The COURT. In other words, you might have to pay more, or you might have to pay less?

The WITNESS. Yes. So far we pay more.

The COURT. And approximately what are you paying over his price now?

The WITNESS. Well, frankly, I don't know any more what he is paying.

The COURT. Well, what do you think? For every ton you take off his hands, what does he make?

The WITNESS. Well, for the longest time, I would say that he was making \$2. From all indications, I believe he's making more now.

The COURT. So if you were getting, taking off his hands, 2,000 tons of ferrous metals, he's making at least \$2 a ton on that, right now?

The WITNESS. That's right. He might be making more.

The COURT. How high do you think he might be making?

The WITNESS. He might be making \$5 a ton. Of course, I will try and keep you straight on that. That could also happen had we been purchasing the material from Briggs, because on some previous years, we worked an Iron Age arrangement with them also, in other words, a sliding scale price.

By Mr. GARBER:

Q. But you don't know what he is paying Briggs?—A. That's right.

Q. Briggs may not be getting the Iron Age price?—A. They may be giving him the material as far as I know.

Q. Do you know any other deals in the scrap industry, either in Detroit or any place else, where there is such a set-up as that?—A. Well, it is peculiar. There is a firm operating around Detroit now, who solicits industries on the basis that they guarantee the producer of scrap, that if they will place the scrap in their hands to dispose of, they will get them a greater amount of money than what they are getting for it now, and for that service they would charge them five or ten percent.

Q. What company is that?—A. It's a firm called Flett Company.

Q. They have their own equipment?—A. No, they have no equipment.

The COURT. Well, how do they propose to operate?

The WITNESS. Well, truthfully, they are established, and I believe they were fortunate enough to get into this line of service on that order in periods of time when the demand is great for the commodity. I think they have done a good job in the waste paper line, and of late they have been more or less getting into the nonferrous line as well.

The COURT. Where are they located?

The WITNESS. I think their main office is in Chicago, but they have got an office here in Detroit.

The COURT. Where?

The WITNESS. I think in the Free Press Building.

The COURT. Who is behind that company?

The WITNESS. Well, oh, I have heard the names, but I don't recall them.

By Mr. GARBER:

Q. What nationality do they appear to be?—A. Well, I think they have got a combination there of Jews and Scotchmen.

Q. That's a good combination.—A. I have heard some of the names, but I don't remember them.

Q. But that is a case where the seller of the scrap is sold on the proposition that if they handle their material the seller of the scrap will receive more for it than if they attempted to handle it themselves?—A. That's right. They go back over several years.

Q. That is purely a money deal?—A. Money deal, where the industry wants to relieve themselves from selling salvage, and is guaranteed they will get more money than they have been getting.

Q. Do you know of some deals where the seller of the metals is losing money on the metals, and is giving it to the people?—A. I would say not.

The COURT. How would Flett and Company get that scrap out?

The WITNESS. They would just, frankly, just practically chisel in, and by the same token, they would show the industry they would embarrass—let's take as though this is Briggs Company as an instance.

The COURT. Yes.

The WITNESS. The Flett Company would have called on Briggs Manufacturing with this proposition, "Now you fellows have been handling your scrap in such and such a manner. Now, if you will turn your salvage over to us, we will guarantee to get you so much more money or more money, and relieve you of the whole obligation of looking after it, and we will charge you five or ten percent for it." And in the meantime they would go around and contact other scrap people and enter into a contract for servicing this material. It is a little similar to what we are doing here.

The COURT. They would solicit you to get the highest price from you?

The WITNESS. They would go around to many firms who they thought would be capable of servicing the production.

The COURT. They would have to do that almost simultaneously to getting the deal?

The WITNESS. So they would be ready to take it on.

The COURT. And if they contacted you, if you went into it, you would take it right on?

The WITNESS. Maybe I would.

The COURT. We would assume, but then you would service it the same as you are right now?

The WITNESS. Oh, yes.

The COURT. But in that instance, if that was a profitable deal any profit or any moneys coming from you would go directly to Briggs, and Flett and Company or anybody in that boat would get five percent or whatever it was.

The WITNESS. No. Flett sells the scrap to the dealer and bills the scrap to the dealer.

The COURT. And then remits?

The WITNESS. Remits to the, say, X company.

The COURT. Well, remits to, say Briggs, all except whatever the deal is, five or ten percent.

The WITNESS. Yes, sir, I think that's the way they work.

The COURT. Well, that's not the Renda Company.

The WITNESS. No.

By Mr. GARBER:

Q. Do you know how the Renda Company got this deal?—A. No, I don't.

Q. Did you ever hear any rumors how it happened?—A. No, I wouldn't even say I heard rumors.

Q. Well, what did you hear?—A. Well, frankly. I wouldn't say I heard anything, excepting I was just amazed.

Q. All right. What do you think happened, your personal opinion?—A. Well, in my wildest imagination, I can't conceive or comprehend how they got the material, and why, what would ever possess Briggs to do such a thing, for as soon as we were told we didn't have the material any more—understand, that was also true of the waste metal, people handling copper, waste paper, rags—it kind of got through the trade and everybody was out.

The COURT. Well, trying to arrive at who gave him the contract, from your knowledge of George Herbert and the conversations he had about that time—

The WITNESS. He didn't have those conversations with me. He had those conversations with my brother Dave.

The COURT. You would eliminate him right away. He was trying to continue in the old system?

The WITNESS. Maybe. We was informed if we would stay away from him, we would get it back that much sooner.

The COURT. Herbert told you that?

The WITNESS. Yes.

The COURT. You have no sound reason to think George Herbert had anything to do with this Renda contract.

The WITNESS. I couldn't conceive of the likes of that.

The COURT. Everything you knew about the fellow, his subsequent actions, his release from the company, would lead you to the conclusion he had nothing to do with it?

The WITNESS. Well, I took from everything that he was certainly on the square as far as we were concerned, and that everything being equal, I think he would have favored us with the business.

The COURT. In other words, there could be a high probability that because he was trying to favor you, that he lost his job.

The WITNESS. Well, it is possible.

The COURT. In other words, he was trying to keep Renda out of there, and the net result was he was retired?

The WITNESS. That's possible.

The COURT. Now, you never did any work with W. O. Briggs, did you?

The WITNESS. No. I have seen the gentleman just around town, and so on.

The COURT. Nor Spike either?

The WITNESS. That's right.

The COURT. Who do you think gave this contract to Renda?

The WITNESS. I am at a loss to—I don't know.

The COURT. Do you know the reasons?

The WITNESS. No; I don't.

The COURT. Can you give us a good substantial guess what the reasons were?

The WITNESS. I would hate to make a guess. I have thought of a trillion of them. I just wouldn't make a guess; no.

The COURT. Did you ever meet Sam Perrone after the Statler Hotel meeting?

The WITNESS. Yes.

The COURT. In this deal?

The WITNESS. Yes.

The COURT. Where?

The WITNESS. If I recall, he came out to the office with this Carl Renda, and we completed the deal. This had been going on for three or four days, and in the meantime, as I recall, they said, "Go ahead hauling, and we have the crux of what we are doing and we will finish this deal out."

The COURT. Obviously you wanted to deal with the man who got the contract away from you, Carl Renda?

The WITNESS. Oh, yes.

The COURT. You weren't anxious to deal with Sam Perrone. Did you invite him into the picture, or did he invite himself in, or Renda?

The WITNESS. To tell you the truth, I thought he wasn't telling me the truth. I thought he had the contract, because that's what I was informed—the people who have got the Michigan Stove contract have our contract.

The COURT. You didn't know the relationship between Renda and Perrone?

The WITNESS. No, sir.

The COURT. Who gave you that information? Where did you pick that up?

The WITNESS. Later on, I think Carl Renda told me Sam Perrone was his father-in-law.

The COURT. Who gave you the information that led you to believe the same people were handling the Briggs scrap as were handling the Michigan Stove scrap?

The WITNESS. Oh, George Herbert. George Herbert told Dave, a brother of mine.

The COURT. Did you ever hear of Carl Renda being referred to as the king of the waps?

The WITNESS. No, I haven't.

By Mr. GARBER:

Q. Did you ever deal with Mr. Cleary at all?—A. Yes.

Q. What dealings did you have with Mr. Cleary?—A. Well, more or less always from just a thank you, dropping in casually in the office, knowing he was superior over the man we were dealing with, and to more or less drop in and say hello, and thank him for keeping the business with us, and so forth. In other words, we were going over the seller of scrap man's head in doing that, but more or less in the way of respect. In scrap deals, I think he had charge years back in conjunction with the comptroller, for payments, and we knew of and knew him.

Q. Let me ask you something, and I am not going to try to involve you. Was there ever a pay-off in this scrap deal?—A. Not to my knowledge.

Q. I am sure the Judge will grant you immunity if there was, on this deal. Did Cleary ever get any presents, or Herbert get any presents for keeping you boys?—A. No, they didn't. They got presents to the tune of Christmas baskets, liquor, but those are things we do with everybody we deal with.

Q. There wasn't any thousand dollar bills in their box of cigars?—A. No. I think, frankly, everything I knew about Cleary, he was considered very, very honorable.

Q. Was there anybody over there you thought might get paid off or might have got paid off for this Renda contract, make a little extra money for himself if he threw the contract that way?—A. The only thing I can tell you, something must have taken place some place, because our relationship was very nice with Briggs, and what took place is beyond me.

The COURT. By the way, did anybody ever accuse or even intimate that your firm or any other buyer of scrap or waste was short weighting?

The WITNESS. Was what?

The COURT. Was short weighting.

The WITNESS. Short weighting?

The COURT. Yes.

The WITNESS. No.

The COURT. Did anybody ever accuse you, that is, I mean—

The WITNESS. That's right.

The COURT. I mean from the Briggs Company, that your firm was just a little shady in the deal, they were going to investigate it?

The WITNESS. No, nothing was ever said or inferred, and by the way, the weights of the material, I think 99 percent of it, or practically 100 percent of it is weighed on different scales they designate in the vicinity of the plant or the plant scales.

The COURT. Nobody came to you?

The WITNESS. No.

Mr. GARBER. No complaints came to you?

The WITNESS. No. I will go so far, when we were let out of the deal, the first man we run to was Cleary. Herbert says, "my hands are tied, I sold you the material."

The COURT. What did Cleary say?

The WITNESS. He was amazed, but said we might as well be patient, it's beyond him.

The COURT. Who?

The WITNESS. Cleary. That's the message I got back from Dave.

The COURT. He was amazed?

The WITNESS. That's what he said at the time.

By Mr. GARBER:

Q. Cleary said it was out of his hands?—A. Yes.

Q. He didn't appear angry with you, you operated this thing right?—A. No. He said he was more in sympathy with us. He was more or less surprised, it was all uncalled for, if there is anything he can do for us, he will, but there is nothing he can do for us.

The COURT. This is rather farfetched, but it could be true. Do you think this Renda contract had any connection at all with the impairment of Cleary's health?

The WITNESS. Really, I don't know.

The COURT. In this way here, that he signed a contract that he didn't want to, and under the circumstances it preyed upon him, that ultimately he became a sick man.

The WITNESS. That I don't know.

The COURT. Did you see Cleary—strike that out. You say George Herbert to start with.

The WITNESS. That's right. Dave saw George Herbert.

The COURT. And that's before you met Sam Perrone and Renda at the Statler?

The WITNESS. That's right.

The COURT. Now, after you saw George Herbert, he told you there was nothing he could do; his hands were tied.

The WITNESS. That's right.

The COURT. Dave went to Cleary?

The WITNESS. Dave went to Cleary, on my say-so.

The COURT. That's before—

The WITNESS. Entering into the deal.

The COURT. Before you you met Perrone?

The WITNESS. Yes, there was a few days there we were trying to contact each other.

The COURT. All hot and bothered.

The WITNESS. Yes.

The COURT. And Cleary told you what? What did he say again?

The WITNESS. He was astounded or amazed himself, and he was sorry, and he would like to have us there. They were well satisfied and cared for our service, and the method of payment, but he was helpless to do anything for us, but just stay patient and perhaps something would come about.

By Mr. GARBER:

Q. He didn't mention in any way why he was helpless or what brought that helplessness about?—A. No.

Q. Did he refer to anyone higher up in the company?—A. Well, frankly, I wasn't there. I just took it in brief, what Dave was telling me over the telephone, or when I came back in the office, and I was doing everything I could to make the connection with Renda, make a deal.

Q. Is that when you first realized you were hopelessly out of the Briggs plant when you talked to Cleary, and Cleary told you he was helpless?—A. Yes.

The COURT. Is Dave older or younger than you?

The WITNESS. Older.

The COURT. How much older?

The WITNESS. Five years older, something like that.

The COURT. But your father is active in the business?

The WITNESS. Not active, no.

The COURT. How old a man is he?

The WITNESS. Seventy-five. He doesn't transact business. He comes down sometimes around the yard.

The COURT. Puts his time in?

The WITNESS. That's right.

The COURT. Is there anything else on this contract that you could throw light on to aid us?

The WITNESS. Well, really, gentlemen, I don't know what I could do for you, excepting this: I wouldn't mind having the scrap business back myself, directly, but I am involved to the tune with these fellows, I am servicing it, and I did tell them as long as they were getting the material I wouldn't compete with them for it.

The COURT. All right. You are paying at least \$2 a ton to Renda Company over what they are paying?

The WITNESS. I would say at least that. I don't know what he is paying now. I would assume nothing less would keep them satisfied.

The COURT. If you had that contract yourself, knowing the Briggs Company, knowing just about what the average output is, bearing in mind the equipment you have got, the knowledge of the market, the familiarity with the Iron Age publication, what could you get net per ton out of that?

The WITNESS. What could I get net per ton?

The COURT. Yes.

The WITNESS. I don't quite get your question.

By Mr. GARBER:

Q. If you were selling it?—A. If they were selling it to us, how much would I pay them?

Q. If they were selling to you, you were servicing the contract, and you went out in the trade—A. I think the fair way, if we were dealing direct with the

Briggs people, such as we had been, if we had upswings in the market, we would treat a customer as a customer, and we would give them the benefits of these so-called better sales, better markets, and there's been times when we were committed to them on high markets, where the market would get a drastic break, and they would adjust it. We would handle them as a good customer and compensate them accordingly, where with these fellows, it is strictly a cold deal with me.

Q. What would you expect to get net per ton if you were doing it directly?—A. What would I expect to get net per ton for the material?

Q. Yes.—A. I can't answer that question. See, that's not a right question in the scrap-iron field.

Q. See, you have at least got to take out \$2 and give it to them.—A. That's right.

Q. There's \$2 you would save if you had it direct, and if they were making a profit of \$5 per ton, you could at least make that \$5. In other words, what I am trying to drive at is this: What is this Renda Company getting out of this contract? They are at least getting \$2 you are giving them and the differential?—A. That's right. You asked me the question wrong. You asked me what I would be selling the material for. I don't think you mean that. Do you mean how much Briggs would be getting for the material if I was dealing with them?

Mr. GARBEE. Let's get off the record a minute.

(Discussion off the record.)

The COURT. Did you ever hear that he got this contract on a gentleman's understanding, off the record, that he would put the quietus on labor disturbances?

The WITNESS. No; I didn't.

The COURT. Through a gang of hoodlums.

The WITNESS. No; I didn't.

The COURT. Do you know that there were six or seven terrific beatings of people who worked over in the Briggs Company?

The WITNESS. Well, I have read of it and heard of it.

The COURT. And do you note that that has kind of quieted down now? You don't hear about it now?

The WITNESS. No; I haven't heard of it of late.

The COURT. You never heard that the Renda Company came in to deliver that type of service and by virtue of that got the contract?

The WITNESS. No; I haven't.

The COURT. Do you know that that contract—that the Briggs could get some \$14,000 more per month for that scrap than they are getting from Renda?

The WITNESS. I wouldn't doubt that.

The COURT. Did you ever hear that Sam Perrone was a strikebreaker?

The WITNESS. No; I haven't.

The COURT. Do you know that about three-quarters of the employees of the Michigan Stove Works are of Italian origin?

The WITNESS. No; I didn't.

The COURT. Do you know who has the core contract down at the Michigan Stove Works?

The WITNESS. No; I don't.

The COURT. But you know that Perrone has the scrap contract?

The WITNESS. Yes.

The COURT. You don't know who did those beatings out there at Briggs?

The WITNESS. No; I don't.

The COURT. Did you ever hear of the Lydia Thompson murder in Oakland County?

The WITNESS. Yes.

The COURT. Do you know anything about that?

The WITNESS. No; I don't.

By Mr. GARBEE:

Q. You are used to scrap contracts, aren't you?—A. That's right.

Q. How long does that contract run for? Read that right there. That's the time element of the contract. Can you interpret that for us?—A. Yes. I would say indefinite.

The COURT. Did you read that so fast?

The WITNESS. I am the one that prepared this contract, I believe.

The COURT. You prepared it?

The WITNESS. I am sorry. I am looking at a different contract. Sorry, I thought this was a contract of ours. I never seen a contract like this before.



By Mr. GARBER:

Q. Can you interpret the duration of this contract?

The COURT. Did you ever hear the expression, "Do me something"?

The WITNESS. Well, the reason I thought this was our contract, it so happens I have a contract with them that goes into December 1948, and if we desire to renew it automatically, it is such, but this I don't think anybody understands.

By Mr. GARBER:

Q. You can't interpret it?—A. That's too much for me.

Q. I thought maybe you were a scrap man and you knew that phraseology better than a lawyer.—A. No.

Q. Did you hear they were going to request bids as of the 13th of this month at Briggs? Did you receive any request to bid on scrap?—A. No; we didn't.

Q. Did you hear they were going to?—A. I thought Dave told me that their salvage man told him requests were going to go out for new bids.

Q. As of when?—A. For this coming period, that is, the period commencing, I suppose, from the first of January on.

Q. You didn't receive a request to bid?—A. No; we didn't.

Q. You would be glad to bid on it, wouldn't you?—A. I would bid on it, but probably under the circumstances, with the arrangement I have with Renda, I would tell him I got the bid, because the last time we entered into our contract, I told him I wouldn't compete with him for the material until such time as he hasn't it.

The COURT. If they asked for bids and you didn't put in a bid, and Woodmere didn't put in a bid, Levine didn't put in a bid, they would have it anyway.

The WITNESS. Yes; but other dealers could bid for it. Let's take as an instance, Briggs Manufacturing would have sent out bids, inquiries, and since we are dealing with Renda, on my last contract with him, I agreed that I wouldn't bid on it directly and compete with him, unless they as much as inferred to us it was satisfactory to do so. He said, "Well, Louis, you can't haul our material and compete with us." Since they did keep their contract over a year and did deal with us—

The COURT. Under those circumstances, if you are requested to submit a bid—

The WITNESS. I will ask them before.

The COURT. If they objected to your putting in a bid, you would not do it.

The WITNESS. But my idea is, if they were out, I am going after that material.

The COURT. As long as they are in the picture, you are dealing with them, and you wouldn't compete with them.

The WITNESS. Yes.

The COURT. Is there anything else you would want, from Mr. Freedman?

Mr. GARBER. No, I think that's all.

The COURT. Is there anything else, Mr. Freedman, you want to give us, that you can think of at this time?

By Mr. GARBER:

Q. Let me ask you one thing: Is there a monopoly on the scrap business in the city of Detroit?—A. No.

Q. You fellows got together and agreed certain of you would not bid against others, you have a set price and won't outbid, and will not take customers?—A. No. There is one relationship that exists that has always existed with some dealers. We have had more or less respect for, let's say, a scrap firm that had been servicing any large industry, we don't deliberately disturb them. I believe there's been years and times where many industries, or many scrap firms knew we were servicing, for instance, Briggs, and everybody felt, well, that's Dave and Louie's account, and on the other hand, the industry, by its very nature, while it may send out bids, elected to give it to a certain one they dealt with. They call him in, maybe ask him to adjust it. There are many yards. If I am offered scrap by certain plants, if I know it is a customer of so and so, I may pass it by. I may deal, all I may do is disturb the man for price and not get it, but if I thought I could get it, I would bid for the material, but do myself no good, and the other dealer harm, with labor conditions and all other conditions we have gone through, and the OPA schedule and labor cutting and breakdown in equipment, there's no percentage.

Q. You feel certain manufacturers ask you to bid, hoping you may bid high in price, and force him on up?—A. Yes. Frankly speaking, we have that condition with our own customers, where they send out inquiries, but when it is all

through, they call me in the office and say, "Louie, we believe we are entitled to so much more, we have been offered so much more." As a rule a big industry won't change, except they want a dealer to hell—pardon me, out of the plant.

The COURT. Do you know of a single situation, where anywhere near the situation we have discussed exists?

The WITNESS. No.

The COURT. Where Renda or anybody of his kind—

The WITNESS. No, it don't exist.

The COURT. —would walk in as a stranger and take business, a very lucrative contract, without experience or equipment, and take it away from firms that have enjoyed that business for years, and then immediately turn around and do business with the same fellows.

The WITNESS. No, you won't find it very often. It is an exception to the rule. Frankly speaking, I don't think they would have dealt with me. I think I prevailed on them to deal with me.

The COURT. Even so, to cut right in?

The WITNESS. No, it's few and far between.

The COURT. Where do you suppose they got the figures in the first instance to make any kind of approximate bid for the business?

The WITNESS. Well, I can understand that. Perrone had been engaged in the scrap-iron business before I met him. The only time I met him was the particular first time at the Statler, and he was delivering scrap to other scrap firms. I can conceive of them then having some little knowledge of the worth of the scrap.

The COURT. Did you ever hear of a fellow by the name of Charles Martin?

The WITNESS. I met him.

By Mr. GARBNER:

Q. Is he much of a dealer?—A. Well, to my knowledge, he's no dealer.

The COURT. He handles a lot of waste paper?

The WITNESS. Yes, I understand. I met him a day or two after I first met Renda.

The COURT. Where did you meet him?

The WITNESS. Well, he come to our office or there to the Statler on one of the meetings before we tied the contract together.

The COURT. Well, you didn't put very much value on his experience as a scrap man?

The WITNESS. Scrap iron?

The COURT. Yes.

The WITNESS. Oh, positively no.

The COURT. But he might be able to know some angles of the trade.

The WITNESS. He may know the waste-paper business. That's what I understood later that's what he specializes in, or devotes his time to, but as far as scrap iron, he doesn't know what the score is.

The COURT. All right, Mr. Freedman.

(Witness excused.)

5:30 p. m.

ELGAN TAYLOR, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBNER:

Q. Will you state your full name?—A. Elgan Taylor.

Q. Where do you live?—A. 5770 Harvard Road, Detroit.

Q. By whom are you employed?—A. At the present time, the Mardigian Corporation.

Q. Previous to that, where were you employed?—A. I was in partnership with Mr. Lilygren in a firm of industrial consultants, Lilygren and Taylor.

Q. And in the firm of Lilygren and Taylor, did you have any contact with the Briggs Manufacturing?—A. No. It was prior to that I was employed by Briggs.

Q. When were you employed by Briggs?—A. For approximately 18 years prior to December 31, 1946.

Q. You left December 31, 1946?—A. Yes, sir.

Q. And prior to that, you had been with Briggs a period of 18 years?—A. Yes, sir.

Q. In what department were you, sir?—A. Well, I was supervisor in a number of departments, estimating cost, time study, time department, processing, and salvage.

Q. Salvage?—A. Yes; under the general supervision of Mr. Lilygren.

Q. Mr. Lilygren was your immediate superior?—A. Yes, sir.

Q. And what were your duties, insofar as salvage was concerned?—A. Not very much. Our duties and responsibilities were so divided we didn't overlap them, and Mr. Lilygren took a more active part in the direction of the salvage operations than I did.

Q. The activities, did that have to do with the disposal of the salvage?—

A. Accumulation of salvage and disposing of it—accumulation of scrap and the disposal of the salvage.

Q. And were there any changes made about the second quarter of 1945 in the disposition of scrap, to your knowledge?—A. No, I don't think it was quite that early. I can't give you very much in the way of facts pertaining to the operations of the salvage. Mr. Lilygren could give you a lot more accurate information.

Q. Well, we will put it this way: Was there a change made in the method of disposing or of the sale of scrap in the year 1945?—A. I believe that—well, I couldn't answer that as an authority.

Q. Well, do you know whether or not some new company came in to purchase the scrap from the Briggs Manufacturing?—A. Oh, yes.

Q. And do you know approximately when that happened?—A. Well, I was of the opinion it would have been in the third quarter, along in September.

Q. Of what year?—A. 1946.

Q. 1945 or 1946?—A. 1945, I am sorry.

Q. Do you know what the name of that company was?—A. The Carl Renda Company.

Q. The Carl Renda Company?—A. Yes.

Q. Now, did you discuss that with anyone about the Carl Renda Company coming in there and taking over the buying of the scrap?—A. You might say it was discussed with me by Mr. Lilygren and George Herbert.

Q. Yes.—A. Herbert was the foreman or supervisor of the salvage department. They related to me certain things pertaining to the Renda Company.

Q. And do you recall what Mr. Lilygren told you relative to the coming in of the Renda Company?—A. The first thing he told me was that Mr. Cleary, who was director of purchases, and has the responsibility of making the award of scrap—

Q. Yes.—A. Had told him that the Renda—not the Renda Company, but that Renda had approached the management of the company on the proposition that if the company would sell to him their scrap, and I believe at something less than the market price, that he in turn would offer them certain protection against work stoppages and striking, and so forth.

Q. Now, Mr. Lilygren told you that, is that correct?—A. Yes.

The COURT. Where is Mr. Lilygren now?

The WITNESS. Well, he was in Detroit today. He has been out of town. He was in today. I presume he's still here.

The COURT. But, I mean, he's living here?

The WITNESS. Oh, yes, he lives in Grosse Pointe.

The COURT. Where does he live?

The WITNESS. 90 Sunnydale.

The COURT. Sunningdale?

The WITNESS. Yes.

The COURT. What's his first name?

The WITNESS. George—George N.

The COURT. How do you spell that?

The WITNESS. L-i-l-y-g-r-e-n.

By Mr. GARBET:

Q. Well, was this conversation had before any contract for any of the materials had been sold to Mr. Renda?—A. Yes, sir.

Q. Then, when did you next learn that certain of the salvage materials were being sold to Mr. Renda?—A. I never knew that actually, that any materials were sold to Renda.

Q. I see.—A. Not definitely.

Q. Did you ever have any conversation with Mr. Cleary about a contract that was entered into between the Briggs Manufacturing Company and Carl Renda Company?—A. Not directly. I never discussed this matter with Mr. Cleary at all. Mr. Lilygren told me that Mr. Cleary had told him that he had been given the contract, he had seen it, but he would not sign it.

Q. Did he make any further statement about terminating his employment with Briggs Manufacturing Company before he signed it?—A. Something to that effect. I can't quote it exactly, but that's the essence of it.

The COURT. Give us the substance of that.

The WITNESS. That he would never sign the contract.

The COURT. Cleary?

The WITNESS. He, Cleary, would never sign the contract.

The COURT. And rather than sign it—

The WITNESS. I am pretty sure he said he would retire first, or he would die first—I couldn't tell you which it was. It's a long time ago.

The COURT. Cleary made that statement to Mr. Lilygren, not to you?

The WITNESS. Yes. Mr. Lilygren told me Mr. Cleary had made the statement to him.

The COURT. Now, did you know Cleary very well?

The WITNESS. Very well.

The COURT. He's a man of estimable character?

The WITNESS. The very best.

The COURT. We don't mind telling you that Cleary did sign that contract. Do you think that had any effect on his health?

The WITNESS. Well, I am shocked to learn that he did. I wouldn't have believed he would sign it?

The COURT. Do you know his signature?

The WITNESS. Yes, sir; I believe I remember it.

By Mr. GARBER:

Q. I will show you Grand Jury exhibit one, and ask you if you recognize the second signature on that?—A. I am reasonably sure that it is his.

Q. When you say "his," you refer to—A. Mr. Cleary's.

Q. William J. Cleary?—A. Yes.

Q. But Mr. Lilygren definitely told you that Mr. Cleary was not in accord with the signing of this contract with the Carl Renda Company?—A. Yes, sir.

Q. There is no question about that?—A. That's right.

Q. And he made some statement he would rather die or rather retire than enter into such a contract?—A. He said he would never sign it.

Q. Such a contract?—A. Yes, sir.

Q. And you also were told by Mr. Lilygren, previous to the time any contract was presented by the Carl Renda Company, that Carl Renda had contacted the management of Briggs Manufacturing Company and asked for this contract, with the understanding he would help to curb certain labor strife that existed in the company, right?—A. Yes, sir.

The COURT. And he wanted it below the market price?

The WITNESS. Yes, sir; that is the text of the conversation, as Mr. Lilygren related it to me, between Mr. Lilygren and Mr. Cleary.

The COURT. And the substance of it—

The WITNESS. Was just as you related it or repeated it.

By Mr. GARBER:

Q. Do you know of a conversation between Fay Taylor and Mr. Lilygren, in which the Renda deal was discussed?—A. No, sir.

Q. Did Mr. Lilygren ever tell you of a conversation he had had with Mr. Taylor relative to this?—A. No, sir; he did not.

Q. Well, did you ever discuss it? Your name is Taylor, too?—A. Yes. No—discuss it with whom?

Q. Mr. Lilygren. Did you ever discuss this Renda deal in regards to the labor trouble and the assaults upon certain union members—did you ever talk that over with anyone?—A. Not at business; in our homes we discussed the thing.

Q. You say "we," who?—A. Mr. Lilygren and I.

Q. What discussion did you have in your homes relative to this?—A. We read in the newspapers of these assaults, and wondered if perhaps there was some connection between the Renda deal with Briggs and these assaults; that is, the Renda promise, if it was a promise.

Q. And that was how long after Renda had come into the Briggs, that you first recall about these different beatings, that is, having discussed it?—A. Oh, I think perhaps it was after Mr. Lilygren left. That is the latter part of 1945 or early in 1946.

Q. You discussed it at that time, thought there might be a connection between the two?—A. Yes, yes, sir.

Q. Do you still believe that?—A. Oh, there's no basis for any belief, no, sir.

Q. But nevertheless, you have discussed it as being a possibility?—A. Yes, sir.

Q. Do you know who Carl Renda is?—A. No, sir.

Q. Did you ever hear of San Perrone?—A. Not that I recall.

Q. Do you know whether or not Carl Renda is related to Sam Perrone in any manner?—A. No; I do not; no, sir.

Q. Do you know who handles the scrap at the Michigan Stove Works?—A. No, sir.

Q. And did you ever hear Mr. Cleary or Mr. Lilygren make the statement that Renda was king of the wops?—A. No, sir.

Q. Did you ever hear him make any reference to his nationality, as being an Italian, or what?—A. Herbert gave me that information, but Mr. Lilygren didn't tell me.

The COURT. What did Herbert give you?

The WITNESS. That he was the leader of a group of Italians in Detroit, and that his father had been associated with gangs back in the prohibition days, I believe it was.

By Mr. GARBER:

Q. His father or father-in-law?—A. I thought it was father. As I remembered, it was father.

The COURT. Where were you born?

The WITNESS. Born?

The COURT. Yes.

The WITNESS. In Kentucky.

The COURT. Where?

The WITNESS. A town called Central City.

The COURT. When?

The WITNESS. 1906—September 24th, 1906.

The COURT. And you were educated there?

The WITNESS. Yes, sir.

The COURT. How far through school did you go?

The WITNESS. High school.

The COURT. Then came here?

The WITNESS. Yes, sir.

The COURT. When did you come to Detroit?

The WITNESS. In 1927.

The COURT. And went with Briggs then?

The WITNESS. It was approximately a year later. It was in 1928 that I went there.

The COURT. To Briggs?

The WITNESS. Yes, sir.

By Mr. GARBER:

Q. Do you know any of these gentlemen?—A. I don't know this one. I have never seen him. I have never seen that one. I can't say I have ever seen this one. His face looks familiar, but I have never seen him, unless it has been in a factory.

Q. This is another picture of him?—A. No, sir; I have never seen either of them.

Q. And this one?—A. No, sir.

Q. Do you know of any reasons that there would be, any reason why men of this type or caliber would necessarily be connected with the scrap hauling from Briggs?—A. No, sir.

The COURT. This gentleman is the father-in-law of Renda?

The WITNESS. Oh, I see.

The COURT. And he has the scrap contract with Michigan Stove. Have you any explanation how a gentleman of that type could walk into the front office of a big corporation and do business?

The WITNESS. Without a Tommy-gun, I can't understand it; no.

The COURT. Well, assuming Mr. Renda is about 26 or 27 years of age, had no experience in the scrap business, and has no office except in his hat, and is doing business from an upper flat, where his father-in-law is the owner and lives downstairs, and has no equipment nor money, do you know any reason why he could get the scrap contract from Briggs?

The WITNESS. Well, that's the thing Mr. Lilygren and I used to discuss, wondered whether there was proof to the story. We never were quite sure.

The COURT. Who do you think in that front office—strike that out. The contract was given to them?

The WITNESS. I had heard it was.

The COURT. And he still has it, and Cleary was much against it. Cleary is dead.

The WITNESS. Yes, sir.

The COURT. Blackwood is not there any longer?

The WITNESS. Blackwood is there.

The COURT. What's the other fellow's name?

Mr. GARBET. Brown?

The COURT. Brown is there no longer?

The WITNESS. Right.

The COURT. Who in that front office would give the go sign to Cleary to sign such a contract, in your opinion, who would be likely to do it?

The WITNESS. Mr. Robinson, the general manager.

The COURT. In other words, the contract came, the go sign came from that front office. You wouldn't expect Walter Briggs would do it?

The WITNESS. No, sir.

The COURT. Nor Spike?

The WITNESS. No, sir.

The COURT. Nor you wouldn't expect Brown to do it?

The WITNESS. Well, I wouldn't expect Mr. Robinson to do it, but I know only the general manager of the company could have given such an order.

The COURT. But somebody did do it?

The WITNESS. It is obvious.

The COURT. And you know George Herbert didn't do it?

The WITNESS. Yes, sir.

The COURT. He got his passport?

The WITNESS. Yes, sir.

The COURT. His secretary got her passport?

The WITNESS. Yes, sir.

The COURT. And as far as you know, George Herbert was a loyal employee?

The WITNESS. Yes, sir.

The COURT. And so was his secretary, as far as you know?

The WITNESS. So far as I know.

By Mr. GARBET:

Q. And you know William J. Cleary didn't want to do it, from your conversations with Mr. Lilygren?—A. That's correct, but I never discussed it at any time with Mr. Cleary directly.

Q. I appreciate that. Your story comes from Mr. Lilygren, from conversations had with him.—A. Yes.

Q. You are now associated with him in business?—A. Not any more.

Q. You were?—A. Yes.

The COURT. What is your business now?

The WITNESS. Sales manager for Mardigan Corporation.

The COURT. What is their business?

The WITNESS. General manufacturing business in tools and dies, as well as manufacturing a line of aluminum cookware.

The COURT. Where are they located?

The WITNESS. 1130 West Grand Boulevard.

The COURT. At what cross street is that?

The WITNESS. Near Michigan—between Michigan and Warren.

By Mr. GARBET:

Q. Do you know whether or not these beatings were ever discussed between Mr. Lilygren and Mr. Cleary?—A. I do not know.

Q. Mr. Lilygren would be the only one could answer that.—A. Yes. It seems to me that those beatings came in this year—was it this year?

Q. Some of them. There's been several of them. One was just about the time this negotiation started, and there's been five or six of them in the course of this contract. The first one is about the 22nd of March 1945, and there's been six of them, one of which was here not so long ago. The last one was March 31, 1946. They all took place, with the exception of one, according to your story, it would be some time around the time the negotiations were started by Mr. Renda and the company.—A. I don't know when the contract was signed.

Q. Well, we have the advantage of you. We know when the negotiations were started and when the deal commenced, and, of course, we have that advantage

over you. You are depending on memory, and we have it pretty well established here by other evidence, so we have a little advantage over you. Was it customary for the Briggs Manufacturing Company to have legal counsel in drafting important contracts, and so forth?—A. Yes, sir; all during the war.

Q. During the war?—A. Yes, sir.

Q. This contract, then, or this agreement, which started—you can take our word we are correct—some time in the early part of April 1945, that was still during wartime; is that correct?—A. Yes, sir.

Q. Can you interpret the last paragraph of that particular contract?—A. It's rather ambiguous, isn't it?

Q. Well, we haven't been able to interpret it. I thought maybe you could help us.—A. Agrees that the above-mentioned agreement shall continue as long as business relationship exists between Carl Renda Company and Briggs—it doesn't appear to me to be the type of phrase that would have been included in a contract drawn up by the Briggs attorneys.

Q. We know it wasn't. We know it was drawn by an undergraduate lawyer. Nevertheless, it binds them for a lot of business and is kind of unusual. It wasn't dated and isn't witnessed.

Q. Does that make it legal?—A. Binding between the parties. At least Briggs recognizes it as being legal.—A. Unless it refers some place to termination.

Q. That is the termination clause. This is off the record.

(Discussion off the record.)

Q. Now, the Briggs Manufacturing Company was very careful on costs?—A. Yes. That was taken care of by Mr. Lilygren and I, and approved by the general manager.

Q. You would also be interested, then, in the return from the scrap?—A. Very definitely.

Q. The more you would receive back from your scrap sales, it would tend to cut down on the cost of your crude material, would it not?—A. Yes, sir.

The COURT. In other words, when they followed a policy 18 or 20 years of submitting to the trade information upon which they would bid, sometimes for a 30-day period, sometimes a 60-day period or 90-day period, not too long, to take care of fluctuations in the market, and in that way do as any careful businessman would do, sell their scrap to the highest bidder; then, when they would give a fellow like this, at less than the market price, all their scrap, there's a good and substantial reason for it.

The WITNESS. That is correct.

The COURT. And it is not in accordance with the policy of good business.

The WITNESS. No, it is not.

Mr. GARBER. Or Briggs Manufacturing?

The WITNESS. Or Briggs Manufacturing, as long as I worked there.

The COURT. The contract is away out of line?

The WITNESS. Yes, sir, I never saw anything like it in all the time I worked there.

The COURT. It challenged your attention, it challenged the attention and disapproval of Cleary, it challenged the attention and disapproval of George Herbert and of Lilygren.

The WITNESS. I can only speak for Lilygren and Herbert. I know they did not approve of it, and knowing Cleary as I did, I am certain he would not have been in accord with such a deal.

By Mr. GARBER:

Q. At least, from the hearsay conversations between Mr. Lilygren and Mr. Cleary, Mr. Cleary was definitely against it?—A. Yes, sir, and as long as I worked there—well, I will have to amend that. As long as I have been affiliated with Mr. Cleary in the general supervision of the company's affairs, I have never seen any transaction that wasn't an honorable transaction, or dealings with any companies except those of the highest type and caliber.

The COURT. You never heard even a rumor of anybody bribing any of the officers for a contract for scrap, or irregularities?

The WITNESS. Not for any sort of a contract, whether it was a purchasing deal or a sale.

The COURT. Do you think, under the set-up here, that Mr. Dean Robinson could tell a lot, if he wanted to tell it, about such contract?

The WITNESS. I am certain of it.

The COURT. This contract is right at his door, isn't it?

The WITNESS. Yes, sir.

Mr. GARBER. It's got to be either one or the other, Brown's or Robinson's?

The WITNESS. Yes, sir.

The COURT. Brown is not there. Robinson is there. He's in right now.

The WITNESS. Yes, sir.

By Mr. GARBER:

Q. Would Mr. Lundberg have anything to do with this, do you think?—A. I am almost certain he did not.

Q. In other words, you would eliminate everyone except either Mr. Brown or Mr. Robinson?—A. Yes, and I wish to make it clear I am not talking about Mr. Robinson. I am talking about the general manager of the company.

Q. What's the difference?—A. I don't want to make any inference that Mr. Robinson might be the type of man who could enter into such a deal as this.

Q. Somebody had to.—A. That's right, but undoubtedly Mr. Robinson did it.

The COURT. We don't ask you to go as far as to accuse him.

The WITNESS. Yes. Knowing the company, working there so long, knowing how it operates, the general manager must have done it.

The COURT. You are no suspect here.

By Mr. GARBER:

Q. Do you know John Fry, by the way, of Michigan Stove Works?—A. I have met him—not intimately.

Q. Do you know whether or not Mr. Robinson and Mr. Fry are good friends?—A. I am reasonably sure they are.

Q. Do you know whether Mr. Brown and Mr. Fry were good friends?—A. No, I do not.

The COURT. Do you know what the state of Mr. Brown's health is now?—A. Well, if I may give you this off the record—

The COURT. Yes.

(Discussion off the record.)

The COURT. Well, Mr. Taylor, there's no more light you can shed on this record now?

The WITNESS. No, there isn't.

The COURT. And as I said, you are just in here to aid us.

The WITNESS. Yes, sir.

The COURT. And we would like the facts if you can get them. Sometimes you might get the drift by watching the movement of a single straw, and we are here for the facts, sometimes gossip, and if anything comes up, I hope we will be able to call you on the telephone and have you drop in and see us. I don't know of anything else right now.

(Witness excused.)

---

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

Misc. No. 72052

*In re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury investigation into the commission of certain crimes in the County of Wayne.*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting on a One-Man Grand Jury, at 1974 National Bank Building, in the city of Detroit, Michigan, on Tuesday, January 14, 1947.

Present: Mr. Lester S. Moll, Mr. Ralph Garber, Special Assistants Attorney General.

Reported by: Margaret Cameron, Reporter.

GEORGE N. LILYGREN, being by the Court first duly sworn, was examined and testified as follows:

Examination By Mr. GARBER:

Q. What is your full name, please?—A. George Nelson Lilygren.

Q. Where do you live sir?—A. 90 Sunningdale, Gross Pointe Shores.

Q. You were employed by the Briggs Manufacturing Company?—A. Until November, a year ago, November 1945.



Q. Until November of 1945?—A. That's right.

Q. How long had you been connected with the Briggs?—A. Slightly over 17 years.

Q. Where had you been employed previous to that?—A. Chrysler Corporation.

Q. And what was the nature of your employment at the Briggs?—A. At the time I left, I was assistant controller.

Q. And who was the controller?—A. There was no controller.

Q. You were in charge of it?—A. It was a nominal title.

Q. Who was your immediate superior?—A. Technically, Mr. Blackwood; practically, Mr. Brown, until he left, and Mr. Robinson at that time.

Q. What was the nature of your work as controller?—A. I had charge of cost estimating, a time study, time department and salvage department.

Q. Was the salvage directly under you?—A. Yes, sir.

Q. And you had charge of the disposal, then, of the salvage, is that correct?—A. That's right.

Q. And how did Mr. William J. Cleary fit in that picture?—A. From the standpoint of approving the prices, we divided the responsibility there. We both approved prices.

THE COURT. When you are talking about salvage, you are talking about scrap, too?

THE WITNESS. Yes, not surplus, but scrap materials.

By Mr. GABER:

Q. So that you and Mr. Cleary had joint control more or less of the price that was arrived at for the sale of scrap, is that correct?—A. That's right.

Q. And was there any change made in the method of handling scrap about the second quarter of 1945?—A. Yes. The scrap was sold at that time to a party who was not the high bidder.

Q. And tell us the method used previous to that time in obtaining your bids for the scrap?—A. Mr. Herbert, who handled the salvage department, under my supervision—

Q. George Herbert?—A. George Herbert, yes, sent out letters asking for quotations, for bids on the different kinds of scrap, outlining all the different kinds he had, the approximate quantities in each item, and asking for field bids. When he got all his bids in, he opened them and charted the comparative prices, showing the price he had had in the previous quarter, the approximate quantities we had had, so that we could look down this chart and judge who should get the business, and this was listed by the different types of materials. Normally, we could give all of the business to one person, unless there was a great variance in prices on individual items. In that case we might split it. But if there was a small quantity and the bid was high on that one, and low on other items where the quantity was high, we might throw the small quantity in at the low bid, rather than have two or three different people coming in to get small lots of scrap.

Q. The idea and practice followed was to give it to the high bidder, correct?—A. That's right.

Q. That had been followed for approximately how long?—A. Ever since I was connected with it, which was 1935, I took over that department.

Q. That the high bidders did receive the scrap materials?—A. That's right.

Q. And certain exceptions might be made, where a small amount of a certain metal, where one might be a little lower than the other fellow, but as a matter of expediency, you would throw it all together, right?—A. That's right.

Q. What did take place in 1945, approximately the second quarter?—A. We had a new bidder.

Q. Who was that new bidder?—A. Carl Renda.

Q. Had you ever heard of Carl Renda having any connection with the scrap business previous to that time?—A. No, sir.

Q. He was a new man in the scrap field, so far as you know?—A. Yes, sir.

Q. What happened? Tell us about that.—A. The comparative bids were made up, sent to Mr. Cleary, and he assigned certain items to Carl Renda.

Q. I see.—A. It was turned back to George Herbert, who objected and brought it to me for my okay. I wouldn't okay it.

Q. Why wouldn't you okay it?—A. Because it was not in keeping with our past practice, and he not being the higher bidder, I didn't see why he should get it.

Q. He was not the high bidder?—A. He was not.

Q. Do you know what percentage of the scrap of the Briggs was assigned to Carl Renda?—A. The output from the Mack Avenue plant.

Q. Do you know whether or not later that included all the plants?—A. I am not certain now. It wasn't for some time after the first one, and whether it had actually all gone to him at any time before I left the company I do not recall.

Q. Now, when you refused to okay that sale after talking to George Herbert, did you take it up with anyone else?—A. I went to Cleary.

Q. Did you take it up then with Mr. Cleary?—A. I went back to discuss it with him, which was our habit.

Q. And did you find out at that time whether or not Mr. Renda actually put in a bid or not?—A. I don't believe he did the first time.

Q. Do you know how his bid appeared in there?—A. He finally brought in a bid because Herbert insisted on it.

Q. Herbert insisted on it, but Cleary had assigned it to him previous to the time he had placed a bid.—A. I am not sure on that point.

Q. Now I show you Grand Jury Exhibit 3, which are bids for the nonferrous scrap metal for the first quarter that were sent out, and you will notice in this last column here there is a bid placed on there for Carl Renda. Are you acquainted with the handwriting? Do you know whose figures that might be there, the period 025?—A. I can't say that I am.

Q. Well, if that's been identified as Mr. Cleary's writing, you wouldn't dispute that, would you?—A. No.

Q. And if that was shown that was put on by Mr. Cleary's secretary on his typewriter, you know of nothing any different than that?—A. No; I don't.

Q. So that could have been added in Mr. Cleary's office, so far as you know?—A. It could have been.

Q. Will you examine that and see if that's the nature of the request sent out for bids that's been followed by the Briggs?—A. That's generally the type of letter that was sent out; yes.

Q. That appears to be the bids, or requests for bids?—A. And these are the bids here, from the different vendors.

Q. So the best of your recollection is the time this material was first given to the Renda Company no bid has been received?—A. As I recall it, yes. Yes; I remember now that Herbert had objected to being told to give the business to anybody without having his bids, and he had quite a bit of conversation with Renda. Renda appeared in his office and told him—now, this is coming back from Herbert to me, because I never saw Renda or talked to him at any time, but Renda appeared in his office and told him he was to get the business, and more or less tried to convince him that Herbert should do whatever Renda wanted him to do.

Q. I see, and Mr. Herbert objected to that; is that correct?—A. That's correct.

Q. Now, after that you had a conversation with Cleary about this matter?—A. That's right.

Q. Do you recall approximately when that was, Mr. Lilygren?—A. No. There's no dates fix themselves in my mind.

The COURT. Well, I think Renda started to get the scrap April 10, 1945.

By Mr. GARDNER:

Q. Either the 8th or 10th.—A. Well, it would be before he actually got any scrap.

Q. Well, sometime in that period around April 1 to April 10?—A. Approximately so.

Q. Some time in that period. And do you recall the conversation you had with Mr. Cleary relative to this matter?—A. Yes, I do.

Q. Will you tell the court now what your discussion was with Mr. Cleary relative to this matter?—A. Well, as I say, I took the thing back to Mr. Cleary and objected to giving the scrap out on any other basis than we always had and he told me he had definite instructions Renda was to get the scrap.

Q. From whom?—A. Mr. Robinson.

Q. Mr. Dean Robinson?—A. That's right.

Q. And who was Mr. Dean Robinson at that time?—A. Vice president and assistant general manager.

Q. And did Mr. Cleary seem inclined to give this business of his own volition to Mr. Renda, or was he hesitant about it? What was his reaction?—A. I would say quite hesitant about it, particularly when I raised my objections.

Q. And you too had previously discussed this matter before contracts had been given; is that right?—A. You mean the contract in this particular case?

Q. No, previous contracts for scrap, agreed on prices.—A. If there was any difference of opinion, normally Herbert would take his chart to either one he could get to first. If he looked it over and had no objection, he usually put a red dot beside the ones he felt should get the business, because of the high price, and if I had no objections, he would take it to Mr. Cleary. If he had no objections, the business was let on that basis, but if either one of us had any objection to what the other told Herbert to do, we got together and discussed it.

Q. That's what you did in this case?—A. That's right.

Q. And that's when you were told by Mr. Cleary he had orders from Mr. Robinson the material was to be given to Mr. Renda?—A. That's right.

Q. Did you ever agree to the prices of Mr. Renda?—A. No, sir.

Q. Do you know whether Mr. Cleary did?—A. He told Herbert to send the scrap out.

Q. So Mr. Renda did get the contract?—A. Yes; he got the output from the Mack Avenue Plant.

Q. At that time?—A. Yes.

Mr. MOLL. Did Cleary enlarge on his conversation with you? Did he say what Robinson's reasoning was on this thing?

The WITNESS. No. The only thing he said there was more behind it than he could discuss.

Mr. MOLL. Well, did he indicate what that was.

The WITNESS. No; he did not to me.

Mr. MOLL. Did you have any idea what he was talking about?

The WITNESS. I formed my own idea.

Mr. MOLL. What were your conclusions?

The WITNESS. Well, I can give you the picture of how I arrived at my conclusions. It's all supposition, you understand?

Mr. MOLL. Well, you were close to the scene, had observed it, and what were your conclusions?

The WITNESS. Well, in the first place, we had had consistent or quite concentrated group work stoppages, little strikes over nothing at all, that is, as near as I could judge, had a repeated group of those, and we had finally around in that period of time someplace, it seems to me, as though it was around in February or March, we had had a definite walkout of the entire Mack Avenue plant, starting in the press room. It was the press room group that walked out first.

Mr. MOLL. What do you mean by the press room?

The WITNESS. The department where they stamp out metal stamping with presses, and the aftermath of that was definite action by the company in discharging certain overly militant stewards, as they put it, and troublemakers, and a threat to discharge more of them. I believe there was quite a bit of publicity in the paper at that time. Mr. Robinson made the statement if we were able to get rid of so many, I think 13, something like that, we wouldn't be likely to have any labor trouble at the company.

By Mr. GARBER:

Q. Did he name those 13?—A. Yes; he named them in the paper.

Q. Do you recall who he named?—A. I couldn't name all of them.

Q. Well, did the Vega name appear in it, either one, Art—What's the other one's name?—A. Joe.

Q. Joe Vega or Art Vega?—A. No; I don't think so.

Q. Did Snowden's name appear?—A. Yes; I think Snowden was one of them.

Q. Did the Dollinger name appear?—A. I am not positive of that.

Q. Did Kenny Morris' name appear?—A. I couldn't say.

Q. All right, go ahead.—A. My memory of the names is not too clear. It's a long time ago and these names were bandied around at the plant a good deal, anyway.

Q. But Mr. Robinson said if 13 of these troublemakers could be gotten rid of, the labor trouble would cease?—A. I remember 13.

Mr. MOLL. How would you classify those 13?

The WITNESS. Committeemen and chief stewards, and I knew them at the time as being troublemakers; they very definitely were.

Mr. MOLL. Were they identified with any particular group within the union?

The WITNESS. Well—

Mr. MOLL. Referred to in any particular manner?

The WITNESS. It seems the Mazey—I think they were the Mazey group, as I recall it.

By Mr. GARBER:

Q. The plant was divided at that time between the Mel Bishop group and the two Mazey groups?—A. That's right.

Q. Do you know if they fell in either of the two Mazey groups or were they in the Bishop group?—A. The Mazey group.

Q. He is the present east-side director now?—A. Yes; former president of the local.

The COURT. He was the same element that was the disturbing element in Maulla in the army?

The WITNESS. Yes; one of the original organizers at Briggs.

By Mr. GARBER:

Q. After these 13 were named—or was that previous to the time this Renda came into the picture?—A. As I recall it, it is.

Q. Go ahead, give us the rest of the background.—A. That case was settled. It was put into arbitration and eventually most of this group was brought back in, but that was some time after. In the meantime the people went back to work, and, as I can recall now, we didn't have any labor trouble from that time on—that is, no strikes, no stoppages—and around in that period is when Renda first appeared on the scene. The fact that he seemed to feel he could go out and tell George Herbert what he could do, seemed absolutely sure of his ground; he did a lot of bragging around the other scrap dealers, telling them they should sign up with him because he was going to have all the Briggs scrap, so on and so forth; and right around in the same period—that is when the question of Renda was so tense between Cleary and myself—I noticed that Dewey was present at the luncheon room.

The COURT. What Dewey is that?

The WITNESS. The former labor conciliator. I don't recall his first name.

The COURT. Federal?

The WITNESS. Yes.

By Mr. GARBER:

Q. He was not at that time.—A. He wasn't connected with the government. He was on his own.

Q. An independent labor leader?—A. Yes.

The COURT. He was present at a luncheon?

The WITNESS. The regular luncheon room, where the president of the company and the other officials have lunch, and as I understand he was retained by Briggs at that time to handle some labor problems with them. But in my own mind, I put all these things together, and the only thing I could make of it was that Renda had been able to tie in with the militant group, the group of union people who controlled the plant, and they were a small group, and they had purposely stirred up this series of strikes, to show the company what they could do, and then, in turn, shut it off to prove they could do it, because in the conversation with Cleary he gave them the Mack Avenue business for that quarter that was, I believe, to be the first of July, and he said, "we will see what happens, and at that time will be time to place the contract again." He decided at that time how much farther—whether he would go the full extent and give them all the business or not. There was a waiting period there.

Mr. MOLL. Let me understand you on that. Did you intend to say that the Renda group was tied in with the instigators of these work stoppages or strikes rather than in opposition to them—they were tied in with them?

The WITNESS. That was my opinion.

Mr. MOLL. And being tied in, there was collusion between the Renda group and the instigators of these work stoppages to bring about the work stoppages?

The WITNESS. That was my opinion, yes.

Mr. MOLL. With the idea that the Renda group could, at the proper time, call them off and bring about some industrial peace to the plant?

The WITNESS. That's right.

Mr. MOLL. How did you arrive at that conclusion?

The WITNESS. Well, I don't know. I followed—

Mr. MOLL. Pardon me. Here's what I have in mind: A distinction between the Renda group being tied in with the instigators, and the possibility that the Renda group was brought into control the instigators of the work stoppages. See the two separate theories?

The COURT. And develop that further. There were six or seven very severe beatings, and we are trying to find whether the Renda group did that, through

muscle men or hoodlums, and in so doing convinced the Briggs people that they were entitled to that contract as a part of the consideration?

THE WITNESS. Well, I would have the other version of it, that is, following my line of thinking, that the beatings were the result of some of the union group not going along with the first group who had tied in with Renda.

THE COURT. What's that you say?

THE WITNESS. The ones that were beaten up—this is my opinion again—were beaten up because they didn't go along with the group that were tied in with Renda. That's my opinion, my line of reasoning, rather.

By Mr. GARBER:

Q. Just let me ask you one question along that line. If that were true, why would Mr. Robinson give the order that Renda get that contract?—A. The only reason that I can see is that he had lost any control of the plant—just a last resort to try to get some industrial peace in the plant.

MR. MOLL. Was that a matter of some discussion among the officials out there?

THE WITNESS. No; I had no discussion on this subject with anyone except George Herbert, Cleary, and Eldon Taylor, who was my assistant, and the only reason I talked to him about it was that if anything should happen, if I was away, he might be brought into the picture and involved in any way, and I was purposely keeping my hands strictly off it. I refused to have anything to do with approving the price, and the only thing I did was advise Herbert to do what Cleary told him to do.

MR. MOLL. You realized this scrap contract was something unusual?

THE WITNESS. Very definitely.

MR. MOLL. There was some other motive, other than the scrap disposal, a motive on the part of Briggs Manufacturing?

THE WITNESS. Yes; because very definitely we were in difficulty with the Government, because a certain portion of this scrap was from the Government plus fixed-fee contracts, and that was, of course, one of the very definite objections I made to Cleary that we would be in trouble on that.

By Mr. GARBER:

Q. Do you know what Briggs finally wrote off on that?—A. No; I don't know the figures. I know it was audited, followed through, and a settlement made, and, of course, that was Cleary's answer to me, we would reimburse the Government for whatever they were entitled to as a result of the difference.

MR. MOLL. I would like to have Mr. Lilygren say in his own words what he thinks the reason was for giving this first scrap contract to Renda? How do you express it? How do you analyze it, in your own mind?

THE WITNESS. I will repeat it—this is just about it—I feel Dewey was acting as a go-between between this combination in the union and the Renda gang with the company.

MR. MOLL. That is, to bring them together?

THE WITNESS. To bring them together.

MR. MOLL. Rather than to bring about opposition?

THE WITNESS. That's right, and that the collusion was between a certain militant group who had pretty well established control of the people in the plant, and Renda, with the thought of them making trouble, they would stir up the trouble and prove to the company that they could make trouble, and that they would, and also that they could control it, and that the difference in the price that they should buy the scrap for would be the consideration for manipulating the people in the plant. That was my line of reasoning and I gave it to Mr. Cleary.

MR. MOLL. Did Mr. Cleary agree with you?

THE WITNESS. He didn't openly express whether he did or not. He seemed to be very much disturbed by it, and he listened very carefully to what I had to say. He didn't dispute it, but it seemed to amaze him that such a thing could be, and the way he talked, he was feeling his way as carefully as he could in the matter. And then later, when I got stories back from Herbert about the contract—I didn't know of any contract from the top down, but it came back to me through Herbert, the statements Renda had made that he was going to have a contract, I believe it was for 10 years—5 years at one time, 10 years another time, different discussions, and that he told Herbert he definitely would have that contract and he might just as well go along with him, do what he wanted him to do, or he would get his job if he didn't.

Mr. MOLL. Assuming the disturbances and beatings were prior to the granting of the Renda contract, what would you say is expected of Renda in consideration of that contract? How would you put that?

The WITNESS. To keep the people in the plant on the job; that's the consideration for him getting that contract.

Mr. MOLL. That is, to control the group that he originally controlled that brought this unrest being the same group which he called off?

The WITNESS. That's it, that's my opinion.

The COURT. Would you go so far as to say that as far as Renda is concerned, that part of the consideration was, if it became necessary, he would beat them up?

The WITNESS. Well, the implications were that, that is, not regarding the people in the plant, but the implication to Herbert were he would be taken care of, if he didn't go along.

The COURT. Himself?

The WITNESS. Yes.

The COURT. As a matter of fact threats were made?

The WITNESS. So he told me.

Mr. GARNER. And he was discharged?

The WITNESS. That happened afterwards, of course. He was discharged after I left.

The COURT. In all your dealings with Herbert and his secretary—

The WITNESS. I didn't know his secretary. I never saw her.

The COURT. Well, she was discharged the same time?

The WITNESS. That's right.

The COURT. But as far as you know, Herbert was a very loyal employee?

The WITNESS. He always was with me.

The COURT. No fraud on his part, or wrongdoing?

The WITNESS. Very definitely not, and I made a careful check on things that he did. Questions were raised from time to time—different scrap dealers would come in about it, different times, question if there was something wrong in the salvage department; his watchmen were always checking the loads as they went out, and so on, so over a period of time I built up and insisted Herbert following a very definite procedure, so there could be no question raised, that we had an answer for anything that came up. That was the reason Cleary and I both checked those prices. I insisted on that. The weighing of material going in and out—Herbert one time came to me and was having trouble, he was held up at the scales and wanted to get out of it. I told him very definitely to have all those loads weighed and don't have anything to do with weighing it. The man in charge of receiving and shipping had to get the ticket. It couldn't be his ticket.

The COURT. Those instructions you gave Herbert, he faithfully carried them out?

The WITNESS. So far as I know, I checked from time to time and watched it very carefully. It was a touchy situation.

The COURT. Was that before or after Renda came into the picture?

The WITNESS. Long before. It was a matter of procedure years before, and I kept tightening up on the procedure right along.

Mr. MOLL. Was it ever discussed or intimated to you by top management they thought there was a monopoly in the purchase of scrap on the part of some of these local scrap buyers? Was that matter ever discussed?

The WITNESS. Mr. Robinson talked to me about it one time, and I took the entire picture in the form of a chart we have there, and explained it to him just how we were doing it, and why we were doing it, and why Cleary was in on it, so there should be no question in his mind. I think Fay Taylor had brought the question up to him, and I outlined the picture, and he was perfectly satisfied. I heard no more about it.

Mr. MOLL. Did you ever feel these buyers had ganged up on you to the extent they had a monopoly on the scrap?

The WITNESS. Yes; it was quite apparent from time to time the bids were fixed.

Mr. MOLL. And there was no compulsion on your part to sell them?

The WITNESS. And we purposely broke the business up several times, in order to break down that sort of thing.

Mr. MOLL. You didn't think, as a result of any collusion among the scrap buyers, Briggs Co. was losing anything, did you, before Renda got in the picture?

The WITNESS. No; I don't think so, because we were very careful to try to break up any tendency to control the price of scrap.

The COURT. Well, we have some information here, that if this scrap was sold under the old policy to the highest bidder, that Briggs could make about \$14,000 a month more than they are getting now.

The WITNESS. Oh, I don't doubt that. The old policy—I am speaking of the old policy—was always to get the highest figure we possibly could.

The COURT. But by giving it to Renda, they are giving it to him for about \$14,000 less than they would under the policy followed by you.

The WITNESS. I am surprised the figure wouldn't be more.

The COURT. It could be more.

The WITNESS. I would say so.

Mr. MOLL. But you don't feel there was ever any collusion among the buyers, of any importance?

The WITNESS. There was an attempt at it.

Mr. MOLL. There was a tendency, an attempt, but you met that, did you not?

The WITNESS. To the best of our ability.

Mr. MOLL. With the result, you assume you got a good price for your scrap material?

The WITNESS. We felt we did.

The COURT. Now, do you know who Renda's father-in-law is?

The WITNESS. Only what I got from Herbert. He told me.

The COURT. Perrone?.

The WITNESS. Yes.

The COURT. Do you know Perrone has the scrap contract with the Michigan Stove Works?

The WITNESS. No; I don't know that.

The COURT. Do you know that the same people you dealt with, that had the direct contact, bought directly from Briggs while you were there, such as the Woodmere, Continental, and Levine Waste Paper, that they are now actually getting the scrap today and hauling it away?

The WITNESS. That's right.

The COURT. With their own vehicles, their own equipment, although they are not doing business with Briggs. They're doing business with Renda.

The WITNESS. That's right.

The COURT. He's sitting right in between them.

The WITNESS. Well, that was one of the big objections Herbert raised.

The COURT. For example, is it Continental that buys the ferrous?

The WITNESS. Nonferrous. Woodmere buys the ferrous.

The COURT. They pay at least \$2 a ton to Renda over his price, wherever his price is, and that Renda may be making as much as \$5 a ton or more on that stuff?

The WITNESS. That was my understanding, and Continental—I remember this in particular—outlined the scheme pretty well to Herbert. That's where I got a lot of my information back through Herbert. He had always dealt with Continental. Continental was one of our best customers. We found normally their prices were higher than anyone else.

The COURT. Did you ever meet Renda?

The WITNESS. No.

The COURT. Did you ever see his people-in-law?

The WITNESS. No. Whether Cleary purposely kept me out of it to protect me or not, I don't know, but he definitely didn't make any attempt to get me into the picture.

The COURT. Do you know anything about Perrone?

The WITNESS. Nothing at all.

Mr. MOLL. What caused Bill Brown to leave out there, do you know?

The WITNESS. Well, a combination of circumstances. Of course, I know he didn't have any particular liking for going back into another heavy season, getting back into peacetime work. It was bound to be quite a strain, and he had enough money so that he didn't have to. The income tax was taking such a large portion of what he got anyway, there wasn't much to it, and I understand—and I don't know this either—that he had taken to a certain amount of drinking and playing around, and that the Briggs management, that is, Mr. Briggs himself followed up on that. I understand, too, there had been a very strong difference of opinion what position Spike Briggs should take when he came back into the company. As far as I know, that was all settled, and so on, but within a month or two after that, Mr. Brown resigned. So I think he resigned under pressure from that standpoint.

THE COURT. Do you think Brown has any information that might throw some light on this subject for the Grand Jury, and whether he has, if he might tell us?

THE WITNESS. Well, quite frankly, his name never came into the picture at all. Whether he had any connection with this deal or not, I do not know.

THE COURT. The only one in the front office was Dean Robinson.

THE WITNESS. The only name that was mentioned to me.

THE COURT. Then going down, would be you and Cleary?

THE WITNESS. That's right, and Herbert.

THE COURT. Then underneath that, Herbert?

THE WITNESS. That's right.

THE COURT. And this fellow, Renda, comes in?

THE WITNESS. Yes.

MR. GARBER. Was Blackwood there at that time?

THE WITNESS. Oh, yes.

THE COURT. Now, you know Renda at that time was about 26 years of age.

THE WITNESS. I didn't know that.

THE COURT. He had no money. He had been working for \$1.15 or \$1.25 an hour at some steel company.

MR. GARBER. Michigan Screw Works.

THE WITNESS. I didn't know that.

THE COURT. He had no equipment.

THE WITNESS. I knew he had no equipment.

THE COURT. He had no experience.

THE WITNESS. That's right.

THE COURT. He didn't know anybody. He didn't belong to the clubs?

THE WITNESS. That's right.

THE COURT. And he steps right in there with that contract, but he did have a father-in-law, and we will presently show you his picture, Sam Perrone, and he gets that contract and then the beatings follow, then the quietus. One fellow got a fractured skull, about five or six fractures. Some of their limbs were broken. One woman was beaten unmercifully in bed beside her husband.

MR. GARBER. They all follow practically the same pattern.

THE COURT. Where are those pictures of the royal family?

(Discussion off the record.)

By Mr. GARBER:

Q. Let me just go into this: Your line of reasoning is that this Renda might have had an in with the union, is that it?—A. That's the way I reasoned it out at the time.

Q. Can you see any fallacy in this reasoning, that instead of being with the union, it was with the front office, and after all, the front office was the giver of the contract?—A. That's right.

Q. And that he had the in with the front office, and it was through an assurance with the front office that he could take care of certain agitators in the union, so that instead of his connections being with the union, it was really with the company, and that these people, these agitators were bad, and because the only way that contract could be given, in our premise, we are talking about, would be by the front office, because of the loss of some \$14,000 a month, could you reason just as well from the other standpoint, that instead of being connected with the Mazey outfit, he had his hook-up with the front office. Is there any fallacy in that argument?—A. Well, it would be a very impractical approach to the problem in this day and age.

THE COURT. In other words, could this be the situation: That Mazey and his outfit were causing untold trouble in the Briggs plant. Renda knows certain people in the plant that can point these disturbances out to him, if and when they start. You can call them spies, you can call them undercover men, anything. He's tied up with Sam Perrone. He sells this bill of goods to Dean Robinson. He says, "I will see that this is done. If I get this contract I will take it tentatively, but if I get it, I will show you that there will be no disturbances of any moment." And when these fellows start anything, they are spotted out and they are taken care of. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. I just want to ask him one question. When Robinson asked about this monopoly, was that about the time the Renda deal was coming up, or was that sometime previous?—A. No; I would say it was about a year before that.



Q. A year or so before the Renda matter came up?—A. Yes.

Q. Do you know whether Mr. Robinson was away from the plant about the time this contract—was he right there at the time this contract was being entered into, or was he away at that time?—A. So far as I can remember, see—I wasn't there at the time the contract was signed. The time I left, the contract had not been signed.

Q. Do you know whether Mr. Robinson ever went to Renda's hunting camp?—A. I heard that.

Q. You heard Mr. Robinson had gone up around Cummings to Mr. Renda's hunting camp?—A. I heard he was away with him.

Q. For how long a period?—A. It seems to me as though it was around a week.

Q. During deer season?—A. As I recall. That must have been just about the time I left the company.

Mr. GARBEE. This is off the record.

(Discussion off the record.)

By Mr. GARBEE:

Q. You heard Mr. Robinson had spent some time at this hunting camp up north?—A. I heard he was going to.

Q. About a week?—A. As I recall; yes.

Q. Just how much, in your opinion, did Mr. Dewey figure in this picture?—A. Well, in my opinion, it was just a tie-in.

Q. Do you think it was Mr. Dewey who figured this deal out?—A. I think so.

Q. He was acting as an independent labor man at that time, was he not?—

A. That's right. I think he's also in the scrap business, too, isn't he?

Q. There is a Robinson in the scrap business.—A. Dewey, isn't he in the scrap business?

Q. Is he? I am interested.—A. I understood he was.

Q. Mr. Dewey was interested in the scrap business, and he didn't have this good job with the government at this time.—A. No. He left the government.

The COURT. He had been with the government?

The WITNESS. Yes.

The COURT. Is that his own name?

The WITNESS. Yes. He was Madame Perkins—one of the pet conciliators and he had been out to sit in on—

The COURT. How old a man is he?

The WITNESS. Oh, I would say about 55—very bushy grey hair.

The COURT. This is off the record.

(Discussion off the record.)

The COURT. You have all you want right now?

The WITNESS. There's just one thing—

Mr. GARBEE. If you have anything to add, you may.

The WITNESS. I think this is worth consideration. Shortly before I left the company, I had a final talk with Mr. Cleary on the situation, and the pressure for the signing of the contract was on very strong, and Herbert kept coming and telling me about—that Renda felt that contract was going to be signed. I talked to Cleary again, told him he was going to be presented with this contract. I didn't know at that time he actually had. "Yes," he said, "I know." He pointed to his roll top desk, "It's right back there." But he said, "It's never going to be signed unless the prices are the way they should be."

Q. Did he ever make the statement he would rather quit, retire, resign, rather than sign the contract?—A. No, that's the statement he made. Well, I told Mr. Taylor that, and he may have misinterpreted it. I have forgotten, but that is the definite statement Mr. Cleary made.

Q. You know Mr. Cleary's signature, do you not?—A. I have seen it different times.

Q. Well, I will show you that. Do you recognize that signature?—A. Yes, it looks like his signature.

Q. You have entered into some contracts with the company, haven't you?—A. No. I have gone over some of the government contracts.

Q. Can you interpret that as to a time limit on that contract?—A. There is no time limit. This worse than the ten years he was talking about.

Q. You can't give us any interpretation of that particular time limit on that contract?—A. There is no provision for either one of them to withdraw—no time limit.

Mr. GARBER. I think that's about all for this gentleman.  
(Witness excused.)

2:45 p. m.

EVERETT E. LUNDBERG, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. Everett Elroy Lundberg.

Q. Where do you live, Mr. Lundberg?—A. 77 Oxford Road, Grosse Pointe Shores.

Q. You are employed by Briggs Manufacturing Company?—A. That's right, sir.

Q. In what capacity?—A. Vice president, assistant general manager.

Q. How long have you held this position?—A. Well, prior to that I have been vice president there for about seven or eight years. Then I was in charge of engineering and have been a director of the company for approximately five years, and I have been assistant general manager for the past three years.

Q. In all, how long have you been employed by Briggs?—A. Over 23 years—going on 24 years.

Q. Do you have any knowledge of your scrap disposal?—A. Well, I know it is disposed of; yes.

Q. Do you know the method that is used in the disposal of scrap, Mr. Lundberg?—A. No, I am not familiar with it. I know it's disposed of through—that comes under, I think, Mr. Blackwood. He's secretary and assistant treasurer of the company.

Q. Yes. And previous—strike that. In 1945 and previous years, do you know whether there was more or less a joint control in the disposal of that scrap between Mr. Cleary and Mr. Lilygren?—A. No, sir; I do not. At that particular time, see, I was devoting about all my time to engineering.

Q. Do you know approximately when the change came about in the disposal of your scrap, that is, under a different set-up that had been followed for a number of years?—A. No; I do not.

Q. Do you know who has the contract for your scrap disposal at the present time?—A. I don't know that.

Q. Did you ever hear of the Carl Renda Company?—A. No; I don't think I have.

Q. Have you discussed with Mr. Robinson or Mr. Cochrane or Mr. Blackwood the contract?—A. I have not.

Q. That you have with the Carl Renda Company?—A. I have not.

Q. Did you ever make an investigation as to whether or not the Briggs Manufacturing Company was losing about \$14,000 a month in its disposal of scrap under the present set-up?—A. No; I was not aware of that.

Q. Do you have any knowledge at all who Carl Renda is, or what his connections are?—A. No, sir; I haven't.

Q. You know there is such a contract in existence?—A. I do not know. I know there's been some controversy over this thing, as far as this investigation is concerned—naturally I hear that—but I don't know anything about it, and wasn't interested very much in it. It came out of my jurisdiction, so I didn't bother with it.

Q. Well, who were the policy makers in 1945, of the Briggs Manufacturing Company?—A. Policy makers?

Q. Yes, sir.—A. Well, naturally, it would be Mr. Robinson, myself, and several other people in key positions.

Q. Was Mr. Brown there?—A. Mr. Brown was.

Q. What time did he leave?—A. I forget just when he did leave. I think he's been out of there now, oh, somewhat over a year.

Q. Something over a year?—A. I think so. I couldn't swear to that.

Q. Naturally you were acquainted with the labor difficulties that existed in the Briggs Manufacturing Company?—A. Plenty.

Q. And were you ever present when a policy of how to curb the labor difficulties was discussed, by the use of the sale of your scrap?—A. Definitely not.

Q. Do you know whether such a policy was adopted by the Briggs Manufacturing Company?—A. I do not; no, sir.

Q. Now, I will show you Grand Jury Exhibit one, which purports to be an agreement between the Carl Renda Company and Briggs Manufacturing Company, and ask you if you ever saw that?—A. I tell you right now, I haven't.

Q. Are you acquainted with Mr. Cleary's signature?—A. I have seen it quite a lot of times. It looks like his signature. I couldn't swear to it.

Q. The contract is not dated or witnessed.—A. No.

Q. Did you ever order Mr. Cleary to sign this contract?—A. I certainly did not. I had nothing to do with any contract of that kind whatsoever.

Q. And this is your first knowledge that any contract like that is actually in existence?—A. That's right. As I said before, I knew there was some controversy over something.

Q. Can you interpret the time limit of that contract from that last paragraph, Mr. Lundberg?—A. What's that question again?

Q. Can you tell the duration or be able to determine the time limit of that contract from that last paragraph?—A. No, certainly not; I can't.

Q. What knowledge do you have of the amount of scrap materials that are sold by the Briggs Manufacturing?—A. Well, I have no direct knowledge, just exactly how much scrap goes out of there. As I said before, that's handled by a different division, and I never bothered myself very much with it. Up to a very short time ago, all my time was devoted to engineering. In fact, I am vice president in charge of engineering.

The COURT. Are you an engineer by profession?

The WITNESS. That's right.

The COURT. What school did you graduate from?

The WITNESS. I went to school in New York. I went to the National Garage Builders Association School conducted by them. I served an apprenticeship in the garage business. My father was in the garage business. Then later I went to this school. I have been chief engineer at Briggs practically ever since I have been there, 20 years.

The COURT. You were brought up in New York?

The WITNESS. Yes.

By Mr. GARBER:

Q. Assuming, for the purpose of this question, Mr. Cleary had orders to sign this contract I just showed you, who would be able to give such orders? You eliminate yourself as having no knowledge of the matter.—A. Well, naturally, if there was a contract to be signed, it would come through before the president of the company.

Q. Well, at that time the president would be Mr. Brown; is that correct?—A. I would assume so.

Q. And Mr. Brown should have some knowledge of this contract; is that correct?—A. What's the date on that contracts?

Q. It isn't dated. It become more or less operative in the second quarter of 1945; that is, the original deal that ultimately brought forth this contract was started in the second quarter of 1945.—A. The second quarter of 1945?

Q. That's correct.—A. Well, I would assume Mr. Brown would possibly know something about it.

Q. This contract was given to Mr. Burt to file as of April 26, 1946, but it laid around for some time.—A. You see, I know the disposal of a lot of this stuff, the purchasing department handles a lot of it, but if he's been authorized to sign any agreement, that I couldn't answer.

Q. Did you ever meet Mr. Dewcy, the federal mediator?—A. Yes, sir; I certainly have.

Q. And do you know whether he had anything to do with this contract or not?—A. I haven't the slightest idea.

Q. Do you know John Fry, of the Detroit Michigan Stove Works?—A. I know who he is.

Q. Do you know whether he had anything to do with this contract?—A. No. Why would he have anything to do with it?

Pardon me. I am asking you. No, honestly, I don't know anything about it.

Q. Did you ever hear of Sam Perrone?—A. Who?

Q. Sam Perrone.—A. No.

Q. Do you know the relationship between Renda and Sam Perrone?—A. No, I don't. As I told you before, it was out of my jurisdiction and I didn't interfere in that at all. Therefore, I know nothing about it.

Q. Well, then, Mr. Brown might know something about this, or Mr. Dean Robinson; is that correct?—A. They may. I couldn't swear as to that. It's handled by the purchasing department. The natural assumption is some of them would.

Q. Well, if this is an unusual deal, different than had been in vogue at Briggs for some 18 years, certain changes were brought about at that time, would Mr.

Clearly have the authority to bring about those changes on his own?—A. In some instances, yes, and others, no. In the disposal of scrap he undoubtedly talked to somebody about it. It involves quite a lot of money.

Q. Especially where they would be losing over what they had been receiving?—A. I don't know what about that. I don't know why we should sell at a loss.

Q. Did you know you did make a settlement with the Federal Government for scrap that grew out of this material because you sold under this contract at less than market price?—A. No.

Q. Did that ever come before the board of directors?—A. No. I have heard it discussed by Mr. Blackwood, something to that effect. I don't know the details of it at all.

Q. Well, who authorized the settlement with the Government? Did that come before the board of directors?—A. Not necessarily; no.

Q. Do you know whether that settlement was made or not?—A. Frankly, I do not know.

Q. Well, will you enumerate, please, just the people who could—and I assure you I am not setting up a false premise for you—who could instruct Mr. Cleary to sign that contract if he did not wish to sign it of his own volition?—A. Naturally, it would be the president of the company, I would assume.

Q. It could either have been Mr. Brown or the vice president, Mr. Dean Robinson?—A. Yes; but I would say Brownie was in there at the time. It would have been him would do it.

Q. And you could have given such orders?—A. Well, not the way the set-up was then; I wouldn't, because I wouldn't interest myself in that at all—it was entirely out of my jurisdiction.

Q. So you confine it to either Mr. Brown or Mr. Robinson?—A. Well, they are heading up the company. Some one of them would have to issue the instructions.

MR. GARBER. Do you have any questions, Judge Moll?

MR. MOLL. No; I don't think so, unless you want to go into any labor unrest that prevailed at the plant, and Mr. Lundberg knows about that.

By MR. GARBER:

Q. Do you recall if Mr. Robinson ever named some 12 or 13 individuals that were directly responsible for the labor unrest at Briggs?—A. No; I don't know any particular people he named. There are a lot of them responsible for it, that we know.

Q. That's right. Did he ever name those people?—A. No; I wouldn't know in particular, outside some we know are troublemakers.

Q. Did you ever hear of the Vega brothers?—A. No; I never heard of them.

Q. Did you ever hear of Snowden?—A. Yes, sir; I heard of Snowden.

Q. Did you know he was beaten up?—A. Yes; I know that.

Q. Do you know Mrs. Dollinger?—A. I have heard the name.

Q. You knew she was beaten up in her home?—A. I read it in the paper.

Q. Kenny Morris?—A. Yes; I have heard that name, too.

Q. Were any of those people I named people you knew as known labor agitators?—A. Not necessarily, no; not any more so than a lot of the rest of them we have down there.

Q. You knew they were all beaten severely, did you?—A. I read it in the paper.

Q. And it started approximately the time negotiations started for this contract.—A. That I don't know.

Q. And continued up until May 1946. Do you know whether or not since this contract has been entered into, that is, negotiations, which I said is the second quarter of 1945, that there has been a decrease in unauthorized work stoppages at Briggs?—A. There has been what?

Q. A decrease.—A. I wouldn't say so. I wouldn't say so. There's hardly a day goes by that we don't have to put up with that.

Q. Let me quote you some figures. In 1945 you had approximately one million six hundred thousand hours of unauthorized work stoppages. In 1946 you had approximately 600,000 hours of work stoppages.—A. These are strikes you are talking about?

Q. Strikes and unauthorized work stoppages.—A. When you talk about unauthorized work stoppages, they don't work more than about two-thirds of the day now.

MR. MOLL. Those figures Mr. Garber gave you are figures supplied by Briggs. Whatever they mean, take them for what they are worth.

THE WITNESS. Strikes you are talking about?

MR. MOLL. Unauthorized work stoppages.

By Mr. GARBER:

Q. Where the men don't work. Can you give us any satisfactory explanation of that over the 2 years?—A. No; I cannot, because I don't think much of any of it, so far as that is concerned.

Mr. GARBER. I appreciate your feelings in the matter. Have you any questions, your Honor?

The COURT. No.

Mr. GARBER. I think that's all, then, Mr. Lundberg.

Mr. MOLL. You don't have any explanation for this labor trouble at the Briggs?

The WITNESS. Yes. My own personal opinion is it's between various factions of the union; that's what I think about it.

Mr. MOLL. I think we would be interested in having your opinion on that if you would give it to us.

The WITNESS. Well, I don't know. That's what I think. Whether I am right or wrong, I have no proof of it.

Mr. MOLL. Well, can you give us your thought on the matter?

The WITNESS. That's all I know.

Mr. MOLL. Any particular factions or headed by any particular person?

The WITNESS. No; I wouldn't say that, but there are different factions in the plant in the union. There's a lot of them that don't approve of the crowd in there now. That goes on daily. They fight among themselves, which doesn't help us any, either. As to who they are, I don't know. You are in trouble about all the time, and who the individuals are I wouldn't know, but when I read it in the paper I thought, well, there was a little argument on among themselves, somebody didn't pay their dues, didn't do this, do that. They sent the strong-arm squad out after them. I still think so.

Mr. MOLL. Do they have many of these dues-collection drives throughout the plant?

The WITNESS. Plenty of them. In fact, we have lost a lot of time lately. They get outside the plant, and if we don't get enough in to man the line, we send the men home.

Mr. MOLL. Is there any violence in connection with those attempts?

The WITNESS. I haven't seen any recently, but a year ago I saw a fellow beaten up right in front of the watchman's booth.

Mr. MOLL. Some employee?

The WITNESS. That's right, because he didn't pay his dues.

Mr. MOLL. That's a pretty vicious practice?

The WITNESS. All right. We bring them up and don't get anywhere.

Mr. MOLL. Why?

The WITNESS. Oh, we're always wrong.

Mr. MOLL. Well, have any of these individuals, victims, ever made a complaint?

The WITNESS. There has been some, yes. I don't know just who they are. Not recently I haven't heard of any.

Mr. MOLL. Do they identify their assailants?

The WITNESS. That's just the trouble. They complain, and when you pin them down they are afraid to open their mouth. That's the whole trouble. They are afraid they will get beaten up again, my opinion, anyway.

By Mr. GARBER:

Q. Mr. Lundberg, I just want to ask you one more question: If I tell you that Carl Renda is a son of a former racketeer who was shot and killed in the county jail; that his uncle is a well-known Italian racketeer who shot a policeman, stood trial twice for murder; that at the time he obtained this contract and did business with Briggs Manufacturing, he was working for the Michigan Twist Drill at \$1.55 an hour—A. This Renda?

Q. Renda. That he had no trucks, had no office, no telephone, no cranes, his only claim to fame, he was a son-in-law of Sam Perrone, who was a well-known Italian racketeer and criminal, and he happens to have the salvage contract for Detroit Michigan Stove Works, and the reason he obtained that was because he was a strikebreaker back in the years when they had trouble with the MEWA, and he was arrested not so long ago, during the war, 1942, for having dynamite caps and revolvers in his locker at the Detroit Stove Company. Why do the Briggs have a contract to sell him a million and a half dollars worth of material at a loss of \$14,000 a month?—A. I don't know why they would have a contract to sell to him at a loss, but as far as having a contract, it might be with him or anyone else. I don't know who the fellow is.

Mr. GARBER. I am not telling you an untruth.

The COURT. The boy is about 26 years of age.

The WITNESS. Twenty-six?

By Mr. GARBER:

Q. He never dealt in scrap before in his life. Can you give me an answer to it?—A. No.

The COURT. Do you see any connection between that contract with Renda and these severe beatings of the people that worked in the plant?

The WITNESS. No; I should not, I don't, definitely not. That's the angle, is it?

By Mr. GARBER:

Q. Do you know whether that contract is still in vogue or not?—A. No, sir; I do not.

The COURT. With that in mind, he gets that contract. The Briggs Manufacturing Company have sold that scrap to the highest bidder over a period of years, and among the people that bought, was Levine Waste paper, Continental, and the Woodmere Scrap. They got it from George Herbert on the highest bid.

The WITNESS. Herbert?

The COURT. They got it from George Herbert in those years, but subject to the approval of Cleary and higher ups.

The WITNESS. Herbert isn't there.

The COURT. He's not there now, no; and Cleary is dead.

The WITNESS. That's right. But I will say this: As far as Bill Cleary is concerned, he's one of the cleanest-cut chaps I ever met.

The COURT. We are not laying this at Cleary's door at all. I think you just simply corroborate what everybody else said about Cleary. Renda gets this contract. He knows nothing about the business. As Mr. Garber, the assistant attorney general will tell you, he has no money, no experience, no place of business, but his claim to fame is that he is a son in law of a racketeer, and his own father was shot dead in the Wayne County jail trying to liberate somebody else in there.

The WITNESS. A nice boy.

The COURT. He himself is a college graduate, 26 years of age. He walks into into the Briggs Manufacturing and takes that contract, and he gets it away below the market price. He immediately enters into a deal with the people that had the contract for years, and he gets a differential of at least \$2 a ton.

The WITNESS. You say what? He entered into a deal with the people—

The COURT. With the people that formerly had contracted with Briggs—Continental, Levine, Woodmere. He enters into a deal with them. They just keep right on taking the scrap with their own trucks, with their own cranes, with their own ultimate customers, and he's right in the middle, dealing directly with Briggs. Now, on your testimony I am satisfied that from your position with the Briggs Manufacturing Company you were far distant from that contract.

The WITNESS. I know nothing about it. Absolutely nothing.

The COURT. The facts we are telling you now, in my opinion, is news to you.

The WITNESS. It is, as I said.

The COURT. But there's somebody in the Briggs Manufacturing Company that got those racketeers in, and I am afraid they got the bear by the tail. This is off the record.

(Discussion off the record.)

(Witness excused.)

---

#### STATE OF MICHIGAN

#### IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

Misc. No. 72052

In re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Friday, January 17, 1947.

Present: Mr. Ralph GARBER, Special Assistant Attorney General.  
Reported by Margaret Cameron, Reporter.

10:50 a. m.

WALTER OWEN BRIGGS, JR., being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. Walter Owen Briggs, Jr.

Q. Where do you live, Mr. Briggs?—A. Martel Drive, Bloomfield Hills.

Q. How old are you?—A. 35.

Q. What is your official position with the Briggs Manufacturing Company?—

A. The title of vice president and treasurer, but the treasurer angle I haven't got back into very much, since I got out of service. Vice president in charge of labor, personnel, and industrial relations.

Q. How long have you held that position, Mr. Briggs, since you returned from the service, or did you have it before?—A. No; I wasn't vice president at that time. I was just treasurer and was just sort of a quirk trying to find out what was going on, after being away from it since 1936.

Q. You were in service?—A. Yes.

Q. What year did you go into service?—A. 1942, May.

Q. When were you discharged from service?—A. The papers read July 3, 1945, and the time actually, with the terminal leave and so forth, finished up the 18th of September 1945.

The COURT. You went in in 1942 and out in 1945?

The WITNESS. May 1942 and out September 1945.

The COURT. What branch of the service?

The WITNESS. Army air force.

The COURT. Flying?

The WITNESS. Well, I was on the ground. I did a lot of flying, but I was two years too old to get into flying.

The COURT. Were you in this country?

The WITNESS. Some time in England with the Eighth Air Force.

The COURT. I had a boy in the Ninth.

The WITNESS. The Ninth moved in just before I left—moved up there.

The COURT. All right.

By Mr. GARBER:

Q. How long have you been connected with the Briggs altogether?—A. June 1934—well, no—yes, that would be the first date. Actually, I worked in the Briggs plant four summers while I was in college.

The COURT. What college did you go to?

The WITNESS. Georgetown, Washington.

The COURT. Did you get through there?

The WITNESS. Yes.

The COURT. What year?

The WITNESS. 1934.

The COURT. Literary?

The WITNESS. Bachelor of Science.

The COURT. And you came out there right after college?

The WITNESS. Into the plant.

The COURT. You stayed in the plant then from 1934—

The WITNESS. 1934 to 1936, and then Dad found himself the sole owner of a baseball business he figured he was too old to learn, and moved me from the plant to the baseball park.

The COURT. How long were you there?

The WITNESS. I held that from Pearl Harbor till 1941, then I went back and helped set up their turret division and went into service.

The COURT. Late 1945 you returned and then became what, treasurer?

The WITNESS. I held the treasurer title all along, even while I was at the ball park—a more or less honorary title.

The COURT. You didn't actually do the work?

The WITNESS. No.

The COURT. You still have the title?

The WITNESS. Yes.

The COURT. And also what?

The WITNESS. Vice president, and my work is labor, personnel, and industrial relations.

By Mr. GARBER:

Q. Do you come in contact, in your work, with Mr. Fay Taylor?—A. Yes; he works for me, now.

Q. Mr. Fay Taylor has been out there how long, do you know?—A. I can make a guess, but I am not sure this is going to be accurate. I would say 1924–1927 he went in there. It is purely a guess. The reason I am guessing, I think he came with us when we acquired the LeBaron Body Company.

Q. That was in 1927?—A. I think so.

Q. Now, are you acquainted with the scrap sales of Briggs Manufacturing at all?—A. I am sorry; I am not.

Q. Do you know anything about how the sale of scrap is handled at the present time?—A. No, sir; I don't.

Q. Do you know how it was handled previous to the second quarter of 1945?—A. No, sir. When I was there before, I was in the engineering before I left. First, I was running a punch press for the first 6 months, and slowly moved up, and got to a so-called white-collar job when I was removed. I never got into the purchasing or sales end of it at all.

Q. You knew Mr. William J. Cleary, did you?—A. Yes, sir.

Q. He was at that time director of purchases; is that correct?—A. That's right.

A. Do you know Mr. Lilygren?—A. Yes, sir; I worked for Mr. Lilygren. In fact, I left Mr. Lilygren—I was working for him when I went to the ball park.

Q. Mr. Lilygren, what was his position?—A. In charge of estimating department, time study, too, I believe. I was in the estimating.

Q. Did cost study come under Mr. Lilygren?—A. I believe it would.

Q. And he would have knowledge of the scrap sales and the return that was received from the sale of scrap; would he?—A. I wouldn't think so. Maybe he would, but I wouldn't think so. I should think it would be under Mr. Blackwood; he would have more knowledge of it. I think his costs were more, actually, costs of operation.

Q. Do you know whether there was joint control in the sale of scrap between Mr. Lilygren and Mr. Cleary?—A. I wouldn't know that.

Q. Do you know who is hauling your scrap at the present time?—A. No, sir; I never looked into it, except from what I have heard. I assume there's a lot of them.

Q. Do you know anything about the existence of this contract, Grand Jury Exhibit I, Mr. Briggs?—A. I wouldn't say I did; no, sir.

Q. Can you interpret this clause, this final clause, as to when the duration of that contract—the final clause there?—A. When we decide to not have them any more, I assume that's what it is.

Q. That would be your interpretation?—A. Yes.

Q. It's just as good as any.

The COURT. Did you ask the question whether he recognized Cleary's signature?

By Mr. GARBER:

Q. Are you acquainted with Mr. Cleary's signature, Mr. Briggs?—A. I have seen it, yes, sir, on a few occasions.

Q. I show you the signature. Is that his signature on there?—A. I am pretty sure that is.

Q. It appears to be Mr. Cleary's signature?—A. Yes, as I remember it.

Q. You notice the contract is not dated?—A. Yes, I noticed that.

Q. Not witnessed? Is that the original; I mean is that the only one?—A. That's the contract in force at the present time. There may be another one with the date and witnesses on it.

Q. No; this is it, furnished by Briggs Manufacturing Company to the Grand Jury.—A. Okey.

Q. You have no knowledge whatsoever of the scrap or how this contract came into being?—A. No, sir; I don't have.

Q. Have you ever discussed any of these beatings that took place during the period, the end of the first quarter in 1945 and continued up through May of 1946, with Mr. Fay Taylor?—A. Yes. We have discussed it. The only one, I say, we discussed, was the last one, because that was one that I was around when it happened.

Q. Kenny Morris?—A. Yes, Mr. Morris.

Q. Did Mr. Fay Taylor express any knowledge of how that beating took place, or why that beating took place?—A. No, no, and I asked a lot of questions of



the various people around there, and my opinion was it was some kind of a faction in the union that is pretty well split up.

Q. What factions do you find exist in local 212, which is the local covering the Briggs plant, is that right now?—A. Well, that covers most of the Briggs plant; 742 is also in our Connors plant.

Q. Is there still the factional fights since Mr. Mazey has become regional director?—A. Well, I think he is trying to do a good job, getting it patched up, but they don't appear to have control of their organization yet, although I believe Mr. Mazey is doing everything he can to keep the place running.

Q. Previous to that time, there was the Mel Bishop group and the two Mazey groups?—A. I don't know that. The first time I met Mr. Bishop was when we made the contractual relations last February, and there didn't seem to be too much discussion between the officers and Mr. Bishop then. Murphy and Morris McMannus and Bishop were representing the union—I believe there was another one or two—I am not sure, and also representatives from Evansville. There didn't seem to be the argument between the regional director—I think Mr. Mazey and Mr. Clampitt didn't seem to see eye to eye in discussions I have had with them.

Q. Do you think the labor situation is better at the Briggs plant at the present time than it has been in the past?—A. Yes, sir.

Q. Outside taking some credit to yourself, is there any other reason you know of?—A. I think it's because Mazey and I are getting along pretty well, and he is actually trying to do a good job of keeping the men at work.

Q. Do you think there is any connection between the series of beatings that took place out there, Snowden, the Dollinger woman, one of the Vega boys, Kenny Morris, and the scrap contract?—A. It hasn't showed up in any way since I have been there, and I assure you if it did, there would be something done about it.

Q. In your opinion, there isn't any connection?—A. No, there isn't; at least, so far as anything I found so far since talking to labor.

THE COURT. Just what do you have charge of?

THE WITNESS. I have all labor relations and personnel relations.

THE COURT. They come to you finally?

THE WITNESS. They go to me.

THE COURT. And after they reach you—

THE WITNESS. They go from me to Dean.

THE COURT. What?

THE WITNESS. They go from me to Dean. If there is anything I want to decide, I have the same position out there Mr. Robinson had when Mr. Brown was president.

THE COURT. All labor and personnel, so far as the front office is concerned, centers in you?

THE WITNESS. That's right, sir.

THE COURT. Your orders radiate right down to the lowest man and woman in the plant?

THE WITNESS. Yes.

THE COURT. And if anything then comes up of supreme importance, then you would contact Dean Robinson, the president?

THE WITNESS. That's correct, Judge.

THE COURT. And he's general manager, too?

THE WITNESS. That's correct.

THE COURT. And then your father is chairman of the board?

THE WITNESS. That's right.

THE COURT. And as we understand, he is not too active at the present time?

THE WITNESS. Well, not physically, although he calls every day at least once, to get the low-down on what's going on.

THE COURT. He isn't going to the plant?

THE WITNESS. No; but I think he will after we all get over to Outer Drive. It's a little difficult to get him into the Mack plant. At the Outer Drive plant it is more simple, all on one floor, so he doesn't have to go upstairs.

By Mr. GARNER:

Q. You say at the present time you hold the same position formerly held by Dean Robinson?—A. That's correct, with one exception, he was assistant general manager at that time.

Q. So that previous to the retirement of Mr. Brown, Mr. Robinson would have had the contact with the personnel that you have; is that correct?—A. Yes, sir.

Q. And he, then, in turn, would have referred matters on further to Mr. Brown, who would have the final word, is that correct?—A. On major issues; yes.

Q. In other words, the final responsibility would rest in Mr. Brown at that time, and at the present time it would rest with Dean Robinson, is that correct?—A. I believe that is correct.

The COURT. Then, for the record, you and Dean Robinson are brothers-in-law?

The WITNESS. That's correct.

The COURT. He married your sister?

The WITNESS. He married my sister, my oldest sister.

By Mr. GARBER:

Q. Well, now, I am going to ask you a question. Whatever I state in this will be true, Mr. Briggs, so it is not a hitch question, anything like that. Can you answer this question, why a boy approximately 26 or 27 years old, who had been raised in the city of Albion, his father had been a known criminal, and his relatives have been more or less engaged in criminal activities, and at the time he approached the Briggs Manufacturing, he was employed for, say, approximately \$1.50, \$1.55 an hour up at National Twist Drill over here. He came into the Briggs Manufacturing plant, no phone, no office—

The COURT. Unknown.

By Mr. GARBER:

Q. —and unknown.

The COURT. No connection with the officers.

By Mr. GARBER:

Q. No connection with anyone. The only phone number he could give was that of Sam Perrone, a well-known gangster; he had absolutely no money, no equipment, no trucks, no cranes, no winches of any kind, absolutely unknown in the scrap business, had no experience whatsoever, and stepped into the Briggs Manufacturing plant, and according to your records that you kept out in the front, spent in all about 18 or 20 minutes with Cleary. Orders were received by Mr. George Herbert, who at that time was in charge of your salvage, that Mr. Renda was to receive this scrap. The procedure of some 18 years standing was entirely changed from giving it to the high bidder, and orders went through, and even Mr. Cleary went so far to add a bid on to your regular bids and the figures have been identified as that of Mr. Cleary, to fill in part of it where no bid was received, and turn over this scrap not only from the Mack plant, but all your plants, to this man who didn't have one thing to recommend him, except he is a son-in-law of Sam Perrone. Can you give us any kind of answer to that?—A. No, sir; I can't.

Q. Did you ever hear of Sam Perrone?—A. I think I read about him in the papers, I am not sure.

Q. You see, in some instances there is a differential of \$2 to \$5 per ton on your ferrous metals, and on your nonferrous metals it goes as high as \$20 a ton, and it's been estimated by some of your employees—not wishing to embarrass anybody, I am not going to name them—that you are losing \$14,000 a month on this scrap deal.—A. That's bad business.

Q. Yet the same people from Woodmere, who have been there for years, Continental Scrap Metal and on the other hand, you are collecting all the paper, bringing it over to one plant, baling it and loading it on cars for \$1 a ton, and we have had competent evidence you can't do it for \$1 a ton at the present price of labor—you are doing all this for an unknown man who apparently has no connection at all in anyway, and yet he has that business, he still has that business, and apparently is going to continue to have that business.—A. I can't help you. I haven't gone into it.

Q. What is your opinion of it?—A. I wouldn't say it was too good business. I don't know what the reasons are.

Q. Now, we also have this: That Sam Perrone has handled scrap from the Detroit Michigan Stove Works for a number of years. The only claim to fame he has over there, he has no educational background, but he helped break the strike in 1934 where some heads were cracked, and even engaged in flashing guns as late as 1943, and he is the father-in-law of the man you are doing business with, Carl Renda, and here, during the war, there was a fire in the Detroit Stove Works, dynamite caps, revolvers, and so forth, were found in his lockers. He was grabbed, picked up, investigated by the FBI on the basis of being a saboteur. It was dropped, because there was no connection to it. But at the same time, George Herbert, who was head of your salvage—you probably know the gentle-

man—reported this man to the FBI, and the FBI made an investigation, because of commingled scrap with the scrap of Briggs, and the federal government. It showed there was a loss on their scrap and the Briggs Manufacturing wrote off the loss to the federal government because they were underselling this scrap to this Carl Renda. Now, starting about the time that the Carl Renda Company came in, and the time he got the contract and originally started to take it out, he was still an employee working for some two months afterwards at the National Twist Drill, and Briggs Manufacturing wrote off to the Federal Government the loss they sustained on this commingled scrap. Now, what's the hold this dago outfit has on the Briggs Manufacturing?—A. I am sure I couldn't tell you. I wouldn't know.

Q. Now, we have a report from your company over there, that in 1945 you lost by unauthorized work stoppages—I am not talking about a regular strike, but these petty sit-downs that cost you a lot of money, over 1,600,000 man-hours. After this contract that's been reduced to 600,000 approximately—those are approximate figures. Now, not discrediting you being back, in your opinion, do you think these beatings and the Italian mob in your plant have anything to do with that?—A. No; I don't think so. I think that the cut-down in labor lost time, wildcat strikes, and otherwise, they were having an election at one part of those wildcat strikes, one faction against the other were trying to build up their men. But now, I think Mr. Mazey has gone out and tried to do a good job of keeping the men on the job and punishing the men, the fellows who were causing the strikes.

Q. Well, Mr. Mazey was there in May of 1946, was he not?—A. I don't know when he got back. He wasn't there when we did our contract negotiating. No, that was February 1946, and the elections were May, I believe, April or May. I don't believe he was back when the elections were here. In fact, I am almost sure he wasn't. He was made regional director after the elections were complete.

Q. This man, Sam Perrone, has been loaned by different factories, like Detroit Michigan Stove Works to other places to break strikes, by Mr. John Fry. He's been up, for example, to Battle Creek. Mr. Smith was president of the Stove Works up there—he's been loaned to break strikes?—A. Was he successful?

Q. Yes, and was paid substantial money. But, see, your deal—let's be honest about it—your deal is an exact reproduction in the scrap business as appears in the Detroit Michigan Stove Works. While Perrone served time in jail, Mr. Fry helped the two wives of the Perrone to carry on the scrap business, used them for strikebreakers—A. The wives?

Q. No. He helped the wives run the business while they were in jail. It was of sufficient value to Mr. Fry. He helped them to carry on and made applications to get them out of jail, so they continued on and now they have moved on, till they have the core contract over there, they have the trucking contract, and they have the scrap contract, and at the present time are making application to the ICC to get a license so they can deliver all the stoves. Yet they are fellows of known characteristics of criminals—A. Maybe they have gone straight.

Q. Well, that sounds rather dubious to me.

THE COURT. This is off the record.

(Discussion off the record.)

By MR. GARBER:

Q. Now, we know that Mr. Cleary, about the time he was negotiating, such as it was, with Mr. Renda, told his secretary, "There goes the king of the wops," referring to Renda. We do know that it was discussed, and there was joint control on the sale of this scrap. One of those men would never sign or O. K. this contract, and he didn't. We know it was the time of the war, and we know for four or five days your scrap piled up, and it nearly shut your plant down. Yet it went through. They could take this Sam Perrone out to use him for a little political influence, to haul that out and pay royalty on it. It was almost serious enough to pile your scrap up, so it was in your road, because it wasn't being taken away, and the man who had the contract couldn't take it away, and the orders came from higher up. Now, I have made this deduction, and would like to have you either verify it or tell me if I am wrong.

The only man higher than Mr. Cleary, who could have given those orders were Mr. Robinson, Mr. Brown, or Mr. Lundberg. They were the three fellows who could have given those orders?—A. I think that's substantially true.

Q. I think Mr. Lundberg was as surprised as you are on this deal.—A. Hoffman maybe—he was vice president, but I don't know what his activity was at

that time.' He's now doing manufacturing—vice president in charge of manufacturing. I don't think Cleary's situation would come under that. He had about equal reign. I think that's about right, those three men.

Q. Mr. Brown is no longer with the company; Mr. Dean Robinson is now president and general manager; that's right?—A. Correct.

Q. Oh, by the way, was James Dewey on your payroll?—A. James Dewey is the umpire, both ours and the union's, there is a 50-50 break on expenses and salary.

Q. Do you know whether Mr. Dewey is engaged in the scrap business?—A. I don't know. Everybody wants to get in on the account. I wouldn't be surprised if he was. I have an uncle wants to get into it.

Q. You don't know if James Dewey is in the scrap business?—A. No.

Q. He is on your payroll as umpire?—A. It's a split payroll. We pay half—I think it's \$5,000.

Q. That's \$2,500 a piece?—A. And the expenses split when he is operating on our business.

Q. Do you know whether Mr. Dewey had any part in the set-up of this deal?—A. No. That amazes me.

Q. That would what?—A. That would amaze me. I wouldn't believe it anyhow, I don't think, after talking to him down in Washington a few times. We used to go out and have a few laughs together when I was in the Army.

Q. Well, I am not so sure if this isn't Mr. Dewey's brainchild, the whole deal, along with the cooperation of somebody that may be very close to me.—A. That would amaze me.

Mr. GARBER. Well, a lot of this amazes you. Let's be honest about it.

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Do you know Mrs. O'Keefe, Mr. Briggs? She was formerly a Whiting girl.—A. I don't think so. I may. I say I don't think so, but I may.

Q. Well, it isn't material.—A. Whiting?

Q. Formerly Miss Whiting, now married and is Mrs. O'Keefe. It isn't important.—A. If I would, I do. I try to remember people I met prior to going away. I am having a hell of a time.

Mr. GARBER. Well, will you do this, Mr. Briggs, to help us along? We are not interested particularly in hanging anybody in this deal, but find out, if you want to let go of this deal. You will never have a better chance, if you have a bad deal, than you have right now, when the Grand Jury is on, because if Judge Murphy releases the Grand Jury, and you are still in a position where you can't let go, I am under the impression you may have some difficulty in getting rid of this deal. I think now is the opportune time, and certain evidence we have points to the fact you will never be in a better position to unload it, than you are right now.

(Discussion off the record.)

(Witness excused.)

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury investigating into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, January 20, 1947.

Present: Mr. Lester S. Moll, Mr. Ralph Garber, Special Assistant Attorneys General.

Reported by: Margaret Cameron, Reporter.

2:15 p. m.

JAMES F. DEWEY, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name, please?—A. James F. Dewey.

Q. Where do you live, Mr. Dewey?—A. Chester, Pa.

Q. What address?—A. 401 East 19th Street.

Q. 19th Street?—A. That's right, sir.

The COURT. For the purpose of the record, I would like to get, not too deep, but Mr. Dewey's background. Where were you born, Mr. Dewey?

The WITNESS. I was born in Lucasdale, Pennsylvania. It's a small mining town in the hard-coal region of Pennsylvania.

The COURT. When?

The WITNESS. February 12, 1887.

The COURT. You and I ought to get along all right. Right on Lincoln's birthday.

The WITNESS. John L. Lewis was born the same day, too. My mother and father were born in Ireland. I lived in the coal region for twenty-some years; worked in the mines as a boy 11 years old. I went to night school to the point where I got a teacher's certificate and taught public school for two years. Then I went to a job at Reading Coal and Iron Company as an auditor.

By Mr. GARBER:

Q. Is that at Reading Pennsylvania?—A. No; Reading Coal and Iron. So I married a girl from Chester, Pennsylvania.

The COURT. Right from the home town?

The WITNESS. No; a different county near Philadelphia. And have three children, two sons and a daughter, all married. My wife died last April, April 14th.

The COURT. But your home right now is——

The WITNESS. Chester, Pennsylvania.

The COURT. That's your wife's birth place?

The WITNESS. So when I got married, I went to Philadelphia to work for the Pennsylvania Railroad, as a telegraph operator, and was elected an officer of the union.

By Mr. GARBER:

Q. What union was that?

The WITNESS. Railroad telegraphers. I became assistant to the international president of that organization, and then was appointed by the governor to secretary of labor of the state of Pennsylvania back in 1919. In 1920 I was appointed assistant to the secretary of labor under Jim Davis. I have served under all the presidents in that capacity.

The COURT. Of Pennsylvania?

The WITNESS. No; the United States.

The COURT. When did you tie up with the Government?

The WITNESS. 1920-1921.

The COURT. Under who?

The WITNESS. Harding.

The COURT. What job did you have?

The WITNESS. Assistant secretary of Labor.

The COURT. Who was secretary of labor?

The WITNESS. James Davis.

The COURT. Also from Pennsylvania?

The WITNESS. Pittsburgh.

The COURT. Then you stayed with the Federal Government through all these years?

The WITNESS. That's right.

The COURT. In that capacity?

The WITNESS. Yes. When Roosevelt was elected in 1932, all the Republicans resigned, and I was asked to remain on the job by the president, with Roosevelt, so I had a special assignment then, setting all these boards down there under General Johnson—all the boards that had to do with labor, the Steel Board, Building Board, Automobile Board, and that's how I come to get into this picture up here in——

The COURT. That's Hugh Johnson?

The WITNESS. Yes. So I came here in 1937, together with Frank Murphy, Governor Murphy, to handle all the sit-down strikes up here, General Motors, Chrysler.

The COURT. That's where I became acquainted with your name.

The WITNESS. So the Governor and I were very close for several years. We went through all this turmoil here with the industry. I resigned from the government in 1941 to take a job with a group of corporations in New York, controlled by the National City Bank. We had a number of shipyards and corporations scattered all over the country. I handled their labor relations, handled half a million people, and was requested to remain with the government as special mediator, which I am doing right now.

The COURT. You are really on your own right now?

The WITNESS. No; special mediator with the government.

The COURT. Does that take your entire time?

The WITNESS. Not all—most of it.

The COURT. Well, have you any other business than that?

The WITNESS. I am still representing these corporations down east, labor relations counsel, acting in a special capacity for the government.

The COURT. You are special mediator for the Federal Government at the present time?

The WITNESS. That's right.

The COURT. And besides that, you are, on your spare time, acting privately as—

The WITNESS. Labor counsel.

The COURT. On labor relations?

The WITNESS. That's right.

The COURT. And you have an office here in Detroit?

The WITNESS. No, sir. I don't come here very often.

The COURT. Are you in any business?

The WITNESS. No, sir.

The COURT. Are you in the scrap-iron business?

The WITNESS. No, sir.

The COURT. Do you have any interest in it?

The WITNESS. No, sir.

The COURT. Directly or indirectly?

The WITNESS. Well, I have had some indirect connections with a fellow here in Detroit, Herman Golanty.

The COURT. What is that?

The WITNESS. He's in the scrap-iron business.

The COURT. What is he, an Italian?

The WITNESS. No, a Jew.

By Mr. GARBER:

Q. Where is his place of business?—A. He's got an office in the Leland Hotel here.

The COURT. What is he, an agent for some company or in business for himself?

The WITNESS. I think in business for himself.

The COURT. Where is his place of business?

The WITNESS. The Leland Hotel.

The COURT. Where is his yard?

The WITNESS. I don't know if he has a yard.

The COURT. He is just like an agent?

The WITNESS. A broker—I would say he's a broker.

The COURT. He has no yard, no equipment?

The WITNESS. Not that I know of.

The COURT. But brokerages, buying and selling scrap?

The WITNESS. I don't know much about that phase of it.

The COURT. What is your position there?

The WITNESS. My connection there is, several times he wanted to get some second hand steel sheets—that was before the war, and sheets were scarce—and he was a good friend of mine around town, so I did on several occasions call up some steel people to get him some sheets, not very much, a few hundred tons, but I have no permanent connection with the fellow.

The COURT. There is some remuneration for you. You're not doing it for nothing?

The WITNESS. I got a commission on the sheets.

The COURT. Any other business?

The WITNESS. No, sir.

The COURT. In other words, you have got an interest there with that man Golanty?

The WITNESS. That's right.

Mr. GARBER. How do you spell that?

The WITNESS. G-o-l-a-n-t-y.

The COURT. What's the first name?

The WITNESS. Herman.

The COURT. And his office is in the Detroit Leland?

The WITNESS. That's right.

The COURT. How old a man is he approximately?

The WITNESS. Oh, 50, 55—55, I would say.

The COURT. Does he deal in ferrous or nonferrous metals?

The WITNESS. I wouldn't know that. I don't know too much about his business. Just as I tell you, I got him this steel on two or three occasions. I have no permanent connection with him.

The COURT. You have, in the course of your work here in Detroit, done something for Briggs Manufacturing Company?

The WITNESS. I am permanent umpire there now.

By Mr. GARBER:

Q. You are being paid \$2,500 a year by Briggs and \$2,500 a year by the union?—A. That's right.

Q. Is that your salary as permanent umpire for Briggs?—A. Yes.

Q. Do you know what the set-up is on Briggs scrap?—A. No; I don't.

The COURT. Who is the other umpire, if there is one?

The WITNESS. I am the only one.

The COURT. You act as umpire in Briggs labor disturbances and the party on the other side is the labor unions?

The WITNESS. That's right.

The COURT. Or union, CIO?

The WITNESS. That's right.

The COURT. What is the number of that?

Mr. GARBER. Local 212.

The WITNESS. That's right.

The COURT. How do you handle their labor disturbances?

The WITNESS. They submit briefs to me and I go in the plant, look the job over, and render a decision.

The COURT. And for that, you are on the basis of \$5,000 a year, \$2,500 to be paid by Briggs and \$2,500 to be paid by the Union, and I take it, if, as and when there are any expenses, they share them fifty-fifty.

The WITNESS. That's right.

The COURT. And reimburse you?

The WITNESS. That's right.

The COURT. Where do you live in Detroit?

The WITNESS. The Fort Shelby.

The COURT. Do you spend much of your time around here?

The WITNESS. Not much, no.

The COURT. But in spite of the fact that you are umpire in the Briggs and union set-up, you still act as special mediator for the Government when they call you, and, of course, I take it then you go to various spots in the country where your services are required.

The WITNESS. That's right.

The COURT. Have you got any other position with any other companies than the Briggs?

The WITNESS. Not in the same capacity, no.

The COURT. Have you got them in any other State in the Union?

The WITNESS. Not on the same basis, no.

The COURT. What other basis have you?

The WITNESS. Well, I am the labor relations counsel for General Machinery Corporation, Hamilton, Ohio.

The COURT. What do you get out of that?

The WITNESS. \$250 a month.

The COURT. Are you an officer in any union at the present time?

The WITNESS. No, sir.

The COURT. You are just simply using your experience that you got, and the knowledge obtained throughout the years, but you are not a member of any union now?

The WITNESS. No, sir.

The COURT. You don't hold a card from any union?

The WITNESS. No, sir.

The COURT. No life memberships, anything of that type?

The WITNESS. No.

By Mr. GARBER:

Q. Do you know what the set-up is over at Briggs with scrap?—A. I don't know a thing about it.

Q. Did you ever hear anything about it?—A. A lot of rumors.

Q. What rumors did you hear?—A. Well, as I understand it, there's been some argument about who is going to get the scrap. There's some rumors that's been going on among some people, who is going to get the scrap. Who gets it, I don't know. I know that Golanty doesn't get any—never did. Who gets it, I don't know, but I know there's been an argument going on about that. There's been some rumors this trouble out there has been caused by people trying to get the scrap business. Whether that's so, I don't know anything about that.

Q. Did you talk to anybody about that?—A. No, sir.

Q. Did you ever talk to R. J. Thomas about that?—A. No, sir.

Q. Did you ever talk to Dean Robinson about it?—A. No, sir.

Q. Do you remember you were out at luncheon sometime about the 8th of June 1945, when you came in to lunch with Dean Robinson and several others there at the Cottage, I guess they call it out there?—A. I go in every time I am out there.

Q. Well, did Dean Robinson at that time discuss this scrap deal, when you were out there?—A. Never—never discussed scrap with me in his life.

Q. You have no knowledge of what the set-up is out there at all?—A. No, sir; I don't.

Q. Now, you are here at the present time to arbitrate the reinstatement of certain men out there, are you not?—A. That's right.

Q. Who are those men?—A. Ken Morris and Joe Vega, and a fellow by the name of Shively. I don't know his first name.

Q. Don Shively?—A. That's right.

The COURT. How about Mazey?

Mr. GARBER. Well, Mazey is regional director out there.

The WITNESS. He's regional director.

By Mr. GARBER:

Q. What do you know about these beatings that took place out there?—A. All I know is what I read in the paper. I know the unions claimed—some of the union fellows blamed the company for having it done.

Q. What rumors have you heard as to that?—A. Well, they were making a lot of trouble in the plant, have been for years, the same bunch.

The COURT. Who was?

The WITNESS. Those particular fellows who were discharged, that I have to deal with now.

The COURT. You heard a rumor certain fellows were making trouble in the plant, and that these beatings, so the rumor came to you, were caused by the company?

The WITNESS. Yes. I am pretty sure that isn't so.

The COURT. Do you know the Carl Renda Company?

The WITNESS. No; I don't.

The COURT. Have you ever heard of him, Carl Renda?

The WITNESS. No, sir.

By Mr. GARBER:

Q. Well, now, this Kenny Morris, one of the men who are applying for reinstatement, is one of the men beaten up, is that correct?—A. That's right.

Q. And Joe Vega was one of the men fired by the company and his brother Art was one of the men beaten up, is that correct?—A. I didn't know that till the officer told me that today.

Q. Do you know whether or not, or were you present, when the union had an investigation of these beatings, which ended in them offering a rather substantial reward?—A. No; I never discussed that at all.

Q. Did Mr. Thomas or Mr. Reuther, either one, ever discuss this matter with you?—A. No one in the union.

The COURT. Did anybody from the company discuss it with you?

The WITNESS. Yes. I don't know who it was, whether Fay Taylor or some of the company officials, told me about the beatings when the first beating occurred. What was the name—I guess it was Snowden, I guess his name was, but that's the only discussion I ever had with them about it, just incidental conversation.



The COURT. Do you know those beatings took place about the time a new contract was given by the Briggs to the Carl Renda Company?

The WITNESS. I don't know anything about that, sir. I don't know a thing about it.

By Mr. GARBER:

Q. Did you ever hear of Sam Perrone?—A. No; I didn't.

Q. Do you know anything about the Detroit Michigan Stove Works set-up?—A. No; I don't.

Q. You have never been called to mediate or arbitrate anything for the Detroit Michigan Stove?—A. No.

The COURT. Did you ever try to get any of the scrap from Briggs for Golanty?—The WITNESS. I never had anything to do with scrap in any shape or form for anybody.

The COURT. Just steel sheets?

The WITNESS. Yes.

The COURT. Did you ever buy any from Briggs?

The WITNESS. No.

The COURT. Did you ever acquire any?

The WITNESS. They don't sell any.

The COURT. But you remember being up there at a luncheon room or dining room of the Briggs Company in June 1945, when Dean Robinson was there?

The WITNESS. I don't know if that is the right date, but I was there several times.

The COURT. Who would be in that company?

The WITNESS. Maybe 30 or 40 people in there.

The COURT. Well, you sat with the top officials, didn't you?

The WITNESS. That's right.

The COURT. Who were the ones sitting at the table with you?

The WITNESS. Oh, I remember Frank Kennedy and Harry Lundberg, Fay Taylor, the executives of the company.

The COURT. The scrap and that business wasn't discussed at all?

The WITNESS. No, sir.

The COURT. Was it ever discussed by any of the top officials of the Briggs Company with you?

The WITNESS. No, sir, never.

By Mr. GARBER:

Q. Do you know Mr. Lilygren?—A. No, sir.

Q. You knew Mr. Cleary?—A. Oh, yes, sir; I knew him very well.

Q. William J.?—A. Yes, sir; I knew him very well.

Q. Did you ever discuss it with him?—A. No, sir.

Q. Did you ever hear anything that would lead you to believe there was any connection between the scrap contract as it exists, and has existed in Briggs Manufacturing for the past year and a half, 20 months, and these beatings?—A. I wouldn't think so. I don't know a thing about it. Nobody ever discussed scrap with me, or I with them.

The COURT. When do you sit as an arbitrator or otherwise in the reinstatement of these men, Vega and the others you just mentioned?

The WITNESS. The case is before me now. I never had any hearings on it. I have briefs before me now.

The COURT. Printed briefs?

The WITNESS. Typewritten briefs.

The COURT. On those kind of cases, do you call the men before you?

The WITNESS. Not always, no.

The COURT. Take testimony?

The WITNESS. Sometimes—not always.

The COURT. You haven't examined the briefs, yet?

The WITNESS. I have pretty generally. In fact, I am familiar with the case. I don't need the briefs, because I know the facts and the facts are these: Four or five years ago, the company was having a lot of trouble out there, a lot of strikes; they just couldn't run their plant. It was a disgrace, so Mazey was head of the union then, and he was just impossible to deal with. As a result of that, the International Union, through my urging, removed the charter of the local union, and appointed as administrator Melvin Bishop, and he took over the affairs of the local, and they picked out a group of men that were discharged upon the recommendation of Bishop. Three of those men—

The COURT. Snowden?

The WITNESS. No, Snively, Morris—

The COURT. Ken Morris?

The WITNESS. Ken Morris and Vega, they were discharged as a result of conferences with Dean Robinson and Bishop and myself, in order to straighten the affairs out there, to get rid of these bad people in the plant. A letter was written by the union official director, Bishop, recommending their discharge. That's five years ago.

The COURT. Now, Bishop was on the payroll of the company?

The WITNESS. No, he was union director.

The COURT. Oh, yes, he's the man that took over. The union recommended by letter to Bishop, the discharge of these men.

The WITNESS. No, Bishop recommended to the company. Now, the case is up again. After five years expire, have gone by the board, they renew those cases again. I have really no jurisdiction over the thing. I am not supposed to handle any cases that antedate the contract. Those cases are five years old.

The COURT. Your contract?

The WITNESS. The contract with the union. I really have no authority, but for peace sake, I am doing it. I don't know why they did it, maybe to put me on the spot.

Mr. MOLL. Is that in an official capacity or private capacity?

The WITNESS. Private capacity.

By Mr. GARBER:

Q. Was there ever any rumors or anything that would be basis for the fact that Mel Bishop made some kind of deal with the company over there that was an undercover deal?—A. No, sir.

Q. Did you ever make such a statement while you might have been imbibing a little bit?—A. No, sir. The union has been charging that right along. Mazey has been charging Bishop made an inside deal with the company.

Q. You don't believe that?—A. No.

Q. You don't believe there was any deal made between Mel Bishop and Briggs to take care of these labor agitators?—A. No, absolutely not.

Q. Do you know Mrs. Dollinger?—A. I have heard of her.

Q. She was quite an agitator?—A. I know she was quite a thorn in the company's side. She was from up in Flint, somehow was discharged from Flint, somehow got into the plant under an assumed name. Ever since she has been in the plant, she has been a troublemaker.

Q. She's another one that's been fired?—A. Yes.

Q. Do you know whether she is trying to be reinstated?—A. That case never came up to me.

Q. She was one of the cases involved in these beatings, and she was beaten up in her own home while in bed with her husband. She's supposed to be the instigator of some 200 strikes.—A. I don't know how many—a good many.

Q. Have you run across this so-called Trotskyite business?—A. Yes.

Q. Give us a brief résumé of that.—A. Between the Socialists and Trotskyites and Communists. I can't tell the difference myself. They're all the same breed of cats in my book. But the Mazey Brothers, there's two or three of them, they are supposed to be Trotskyites, whatever that is.

Q. Followers of Trotsky?—A. That's what it is, I suppose.

Mr. MOLL. Well, they are the real Simon-pure Communists, aren't they? They are the anarchist type of Communists who are not in sympathy with Communism under Brother Stalin, that think Communism as it exists in Russia today is a compromise, is not Communism, it is a dictatorship.

By Mr. GARBER:

Q. Well, the original Trotskyite idea was to make it a world-wide deal. Stalin, he's confined it to Russia.—A. There's an outside guess on this thing. I would guess—from this labor stuff, I am familiar with every strike in this industry for a long time, and I would know everybody, and if there is any service I can render this Grand Jury, I would be more than willing to do it, because of the benefit to the committee. It would be my guess that some groups are there in a union war for control of the local unions. The fellows all involved on one side or the other have been candidates for office at one time or the other. That would be my guess on it. Maybe I am wrong.

Q. Well, let me give you just a quick résumé, and what I say is confidential. Do you know any reason why a young fellow 26, 27, or 28 years of age, a graduate of one of the small colleges in the state, an employee of a certain small company there, with no trucks, no equipment, no cranes, not even a telephone, no office,

no money, no experience in the scrap business whatsoever, could step into the Briggs Manufacturing Company and obtain a contract for approximately a million or a million and a half dollars worth of scrap a year, which in a conservative estimate would be worth ten percent, \$100,000 to \$150,000 a year, and walk out with that deal and give it to the same people who had been taking it for years, and he make the differential between the price he bought at and the price he sold it at to them. How would that deal come about, or have you any thought on that matter?—A. Well, if that is so—I take you at your word it is so—

Q. I give you my word it is so.

The COURT. Another picture in there, before that contract was given there were about 1,600,000 lost man-hours due to strikes and so forth, and after that contract was given, the lost man-hours dropped to about 500,000. In other words, there was a saving or recoupment of a million lost man-hours. These beatings took place—the victims of the beatings were labor agitators and the beatings all followed a pattern. The young man comes from a family with an unsavory reputation, in spite of the fact he is a college graduate.

The WITNESS. Well, it would seem to me, Judge, that that would be a severe indictment against the company, and I would be surprised if a company as large as Briggs, and I know them very well, would go into a deal with a scrap dealer, to give them a contract for the purpose of breaking up strikes in the plant, which that would be inferred by that kind of a deal. If the fellow has the contract—you say he has—of course, I can't speak for Dean Robinson, but it would shock me if he were in that kind of a program.

The COURT. We can assume in that hypothetical question, those facts given you by the prosecutor can be established by competent evidence. Now, further, this man's father-in-law has a similar contract with another company for scrap, and when this contract was negotiated, the father-in-law was there with the son-in-law, and the father-in-law has the reputation as a strike breaker.

The WITNESS. Well, that's all news to me. I don't know who handles the scrap contracts out there. I imagine it would be Bill Cleary, that department. I don't know.

The COURT. Well, if a contract of that type were given under those circumstances to a young, inexperienced man, without money, without a place of business, it would kind of arrest your attention.

The WITNESS. It would, yes.

The COURT. If the giving of a contract like that can't be explained by the man who ought to know it in five minutes. That would be another fact that would kind of arrest your attention.

The WITNESS. From the public standpoint, I would say, yes.

The COURT. There were six beatings of labor agitators, and we hold no brief for them, and they follow a pattern, and these happened about that time, or subsequent to that contract, and there's a saving of a million man-hours that had been lost prior to the time of the contract. That would be a further fact that would arrest the attention of a man who had experience in labor, as you have.

The WITNESS. Yes, sir.

The COURT. Do you see any connection between them?

The WITNESS. Well, I tell you, I have never heard much about this scrap deal, except talk around the town about the way scrap things are run among these Jews. As far as the Briggs' angle, I never heard much about it, never discussed it with anybody, except what I hear around town here—reputable scrap dealers don't want the Briggs' business, for some years.

Mr. GARBER. The same people get it that have been getting it for 18 years.

The COURT. The companies actually getting it, have got it for the last 20 years from Briggs, and they are getting it today, but not getting it from Briggs. They are getting it from this young man, Carl Renda.

The WITNESS. A special broker?

The COURT. He's in between the company and them. How does he get in there? There's nothing in the contract, but in your business—you have been assistant secretary of labor—you understand oftentimes deals are made by so-called gentlemen's agreements. It is not on the written page.

The WITNESS. I know that's possible, Judge, but it is all news to me.

By Mr. GARBER:

Q. Let me ask you, you never had anything to do with that deal?

The WITNESS. No, sir.

The COURT. Was your advice ever sought by anybody?

The WITNESS. No, sir.

The COURT. Directly or indirectly?

The WITNESS. No, sir; not a single soul in or out of the company, or anywhere else, the union or anywhere else. I never had anything to do with it. I never discussed it pro or con, and had they suggested it to me, recommended it, I would have violently opposed it.

The COURT. Well, assuming the statements given you can be established by competent evidence, every one of them from the company books or from reputable men connected now or formerly connected with the company or the union, the situation would challenge your attention, wouldn't it?

The WITNESS. It certainly would. I would want to find out what the score was. I am out there responsible for labor peace in the plant, and if that's going on, I would want to know.

The COURT. In other words, if somebody from the so-called underworld was in there, you would want to know it.

The WITNESS. I would want to know it. I would want to get them out of there. That would directly conflict with what I am trying to do—give these people a square deal out there.

The COURT. If a situation existed like that, you couldn't get permanent peace until it was rectified?

The WITNESS. It would be no use for a fellow like me—I might as well quit, get out.

By Mr. GARBER:

Q. You knew Mr. Brown, did you?—A. Oh, very well, yes.

Q. Do you know why Mr. Brown left the Briggs plant?—A. No; I don't know.

Q. Have you any idea?—A. Well, I have a general idea.

Q. What is the best of your knowledge, why he left?—A. He wasn't much interested in the job. He was running around, going to Florida, spending months at a time. In fact, he told me a year before he quit he was going to quit, going to retire, he had enough money to live on. Whether there was pressure, I don't know that.

The COURT. He was a comparatively young man?

The WITNESS. About 45, I guess.

By Mr. GARBER:

Q. Most of your dealings are with Mr. Fay Taylor?—A. That's right.

Q. And Mr. Dean Robinson?—A. That's right.

Q. In other words, if such a deal did exist with the Briggs Manufacturing Company and a certain group of people, Fay Taylor would have knowledge of that, wouldn't he?—A. I wouldn't say that he would; no.

Q. Who would you say would have knowledge of that, Mr. Dewey?—A. I think it ought to go right to the top.

Q. Brown or Dean Robinson?—A. Well, it wouldn't be Brown, of course, he isn't in there.

Q. He was at the time it started?—A. Of course, any deal he made wouldn't hold good after he went out.

Q. It is still good. It is still holding—the same set-up.

The COURT. Another additional factor, prior to the entering of this company into this contract with the Carl Renda Company, the company's policy was to submit the merchandise to the highest bidder, and the highest bidder got the job, got the merchandise, and generally speaking, with a break here or there, for a month or two, for 18 or 20 years, the same companies that are hauling the scrap away today got the contracts directly from the Briggs Company. Today, they are still hauling it away in their own equipment, with their own men, their own drivers—

Mr. GARBER. Using their own cranes.

The COURT. Their own cranes, but they do not directly contact Briggs. The man between them, the contracting party is this young man, and he deals directly with the company.

The WITNESS. What you say don't smell good to me. During the war, the early part of the war, the Government seized all the steel, and they froze the price of scrap at 50 cents a ton.

The COURT. 50 cents a ton?

The WITNESS. Yes; 50 cents a ton profit, so no matter where it was bought or sold, that was the price fixed by the government. Then the steel people got into the picture, U. S. Steel, Bethlehem Steel, and in order to get scrap for their plants, they required these companies making scrap, ship direct to the mill, and they used these fellows as brokers.

The COURT. There is such a deal at present.

By Mr. GARBER:

Q. The company's bundle scrap all goes back direct.—A. There may be some deal like that.

Q. Can you answer this, Mr. Dewey: Certain scrap was commingled that belonged to the Government on cost-plus-fixed-fee contracts, and the government scrap was sold at a price lower than the government was entitled to, which was written off by Briggs Manufacturing. In other words, Briggs Manufacturing paid the difference on the loss to the government. Why would they do that?—A. I don't know.

The COURT. Another factor, if stuff is not submitted any longer to the highest bidder. It is a contract running continuously now for about twenty months, and when the government scrap was sold, it was sold by the Briggs to Carl Renda Company. The government came in later and complained they were entitled to the price, the fair market value, and Briggs saw fit to reimburse the government on some agent's figure.

Q. Well, I wish I could cooperate with you fellows, and knew enough about it to tell you the story. I am sorry I don't. I regret it very much, because it is a serious thing in this kind of industrial relations around here, a company as important as Briggs, because they make the bodies for Chrysler, Packard, and are one of the factors around here that pretty much affect the public interest, and I would be willing to do almost anything I could to cooperate.

Mr. MOLL. Do you think the operation of the Briggs, going back to the time you started to tell us about, five years ago, was impaired by this union or labor situation they had there?

The WITNESS. Well, as I stated, most of the truck companies were in trouble. The Ford strike was on then. The terrific agitation around town here—Ford had just got into the union with his strike; Briggs was having all kinds of trouble; Murray Body was having the same thing. Briggs seemed to have the worst, and as a government official I spent a lot of time out there.

Mr. MOLL. What was your opinion as to the reason for the strike that existed at that time?

The WITNESS. They were mostly slow-downs.

The COURT. Especially Briggs.

The WITNESS. Instead of putting out 100 an hour, they would put out 90, and I would go into the plant with a committee of the company to see if they were working. They were apparently working, but didn't get production. You couldn't pick this fellow out and say he was not working. You could only gauge it, and everything we tried failed, till we finally got this administrator Bishop in there to clean it up.

The COURT. Is Bishop in there yet?

The WITNESS. No, he's out of there.

Mr. GARBER. He is in the International?

The WITNESS. The purpose was to find out what to do, to run this big plant, get rid of these bad people that caused the slow-downs. The company would discharge two or three fellows and down would go the plant, and they would be told the plant won't work till you take these back.

Mr. MOLL. Those are the three you mentioned?

The WITNESS. Many people got fired, discharged from time to time, and were put back.

Mr. MOLL. Were those three you mentioned and the others you identified with any particular group?

The WITNESS. These fellows were then supposed to be what they called Trotzkyites.

Mr. MOLL. They were more or less affiliated with the Mazey group, if the Mazey group were Trotzkyites?

The WITNESS. That's right.

Mr. MOLL. And this friction continued after the installation of Bishop as receiver?

The WITNESS. No. He cleaned it up.

Mr. MOLL. I say, it continued after he came into the picture?

The WITNESS. That's right.

Mr. MOLL. What method did he pursue?

The WITNESS. He told the company to pick out who they thought were guilty and discharge them. With Mazey in there, the company couldn't have done that. They would discharge people for slow-downs, then the union would

come in and say, "put them back." It was a question of put them in or not operate the plant. When Bishop came in, he supported the company.

Mr. MOLL. And in turn, have the support of the union?

The WITNESS. The International, yes, and they threw the fellows out and the condition was corrected temporarily.

The COURT. The slow-down disappeared?

The WITNESS. That's right.

The COURT. And the intermittent striking disappeared largely?

The WITNESS. That's right.

Mr. MOLL. What was the sequence of events after that?

The WITNESS. I got out of the picture then in 1941, I was down handling ship-yards down around Havana. I wasn't around here.

The COURT. How long was Mel Bishop in there?

The WITNESS. A year or two.

The COURT. In the capacity of administrator?

The WITNESS. Maybe a year, I guess.

The COURT. What period would that be about?

The WITNESS. You mean the time?

The COURT. Yes, approximately.

The WITNESS. It was in 1941, and I just don't know the dates right now. I know the letter he wrote to the company was dated. I showed it to the officer over there in the room today. Do you remember that date, Officer? Do you recall the date of the letter I showed you? I am confused on the time.

By Mr. GARBER:

Q. Do you remember when Mazey came back and was appointed regional director?—A. Last year.

Q. '46 or '45?—A. '45.

Q. Well, then, these men—

The COURT. This is off the record.

(Discussion off the record.)

A. I took this umpire job out there in February 1946.

The COURT. February 1946?

The WITNESS. And there's been no trouble since that, as far as I know. The stoppages now, they go through an arbitration procedure, and come up before me as umpire.

By Mr. GARBER:

Q. Were these men discharged by Mel Bishop more or less friends of Mazey?—A. That's right.

Q. Then all these beatings have taken place since March 1945. Mel wasn't there, was he?—A. No.

Q. So Mazey's friends were all beaten after Mazey was put in as regional director?—A. When the first beating occurred, Mazey made some charges against Bishop, and accused Bishop of being responsible for the beatings—he was having them done. They took the case up through the executive board, and charged Bishop before the board of having been mixed up in these beatings, and Bishop was very indignant about it. This is all hearsay on my part. But Bishop declared he didn't know anything about it.

Q. It was after they had taken it up before the executive board that the union offered the reward, did they not?—A. That's right.

Q. Because they were unable to arrive at any logical conclusion why the beatings took place?—A. That's right.

The COURT. Bishop was purely a labor official acting temporarily as the head of that union during the disturbances?

The WITNESS. That's right.

The COURT. He was never connected with the plant himself?

The WITNESS. No, outside altogether.

By Mr. GARBER:

Q. Do you know if all these men, Vega, Dollinger, Kenny Morris, were in the employ of the company at the time they were beaten?—A. I don't know that.

Q. They were all out at that time?—A. Morris was out, so was Snively.

Q. Snowden was out and Vega was.—A. I think you are right.

Q. So they were not working for the company at that time.—A. I feel pretty sure that the company didn't have anything to do with the beatings.

Mr. MOLL. Well, what is your theory of them, from what you have gathered, due to the history of their labor disturbance out there in the various factions, what would your conclusions be?

The WITNESS. Well, I have been hanging around out there seven or eight years, and all their troubles—every time there was a strike, I was called in to get them back to work, and all the time I was mixed up in it, there was always a faction 150 or 200 people holding a meeting, would vote to strike, notwithstanding 25 or 30,000 employees were members of the union. A small group would go down to the hall and if anybody would oppose it, they would beat them up.

Mr. MOLL. Who are some of the leaders in that faction?

The WITNESS. The same group.

Mr. MOLL. The Mazey group?

The WITNESS. That's right.

Mr. MOLL. Trotzkyites?

The WITNESS. That's right. It got so bad, decent employees wouldn't go to a meeting. They let them run it. It was a very bad situation. It's the only time it ever happened in the International that they put an administrator over a local.

Mr. MOLL. Who was responsible for that in the International?

The WITNESS. I would say Thomas.

Mr. MOLL. R. J. Thomas?

The WITNESS. Yes; he put Bishop in himself.

Mr. MOLL. Thomas recommended, apparently, the control of the union was in the hands of a certain group.

The WITNESS. That's right.

Mr. MOLL. And this was a move on his part to eliminate that group, or, at least, restore the union, and it was he who put Mel Bishop in there as administrator.

The WITNESS. That's right.

Mr. MOLL. And how did he accomplish what he did?

The WITNESS. Well, he told the company that anybody who caused a sit-down, slow-down, any violation of the contract, discharge them, and he would support them.

Mr. MOLL. And that was done?

The WITNESS. And the international backed them up on it.

Mr. MOLL. There were several discharges?

The WITNESS. Yes.

Mr. MOLL. Was there any attempt at retaliation, that you know of?

The WITNESS. No, sir.

Mr. MOLL. Well, in effect, Mel Bishop and the union got away with the discharges.

The WITNESS. That's right.

Mr. MOLL. There were no strikes or work stoppages as a result of this?

The WITNESS. No.

Mr. MOLL. Were they attempted?

The WITNESS. Attempted strikes?

Mr. MOLL. Attempted strikes or—

The WITNESS. There was a lot of temporary confusion at the time, but it didn't amount to much.

Mr. MOLL. Well now, then, as far as you recollect now, when was Bishop in there as administrator?

The WITNESS. I thought 1941. I made a mistake on that. I would say about 1944.

The COURT. Where would we get the definite information on that?

The WITNESS. I can call the Briggs and find out right away.

Mr. GARRER. I think we can get it right out of the file.

The WITNESS. I can call Fay Taylor and get him on the telephone.

The COURT. What would be the object of these men that agitated so much, that Bishop advised the company to discharge them, and the company did—what would be their object, having gotten along so badly with the company, that they would now ask to be reinstated? Why not go to some other plant?

The WITNESS. That's what I am going to tell them in my decision, just that—go work some place else. I am going to rule them out myself.

The COURT. In other words, if I was working for you, you were a manufacturer and I couldn't get along with you, finally you fired me, well, I would think I was about through personally, and I'd either go in business for myself, loaf, or work for some other third party.

The WITNESS. I met Vega over in Milwaukee. He's working on this Allis-Chalmers mix-up right now. I met him in the lobby of the Trader Hotel. He said, "Jim, when are you going to put me back at Briggs?" He said, "I don't want to go back in the plant. I just want to get my seniority." I said, "As far as

I am concerned, if I have any influence with the company, you will never go back there any more. Why not go somewhere else?" Just what you said, Your Honor.

The COURT. What is Vega's nationality?

The WITNESS. I think they're Polish or something like that.

The COURT. Slavs?

The WITNESS. Slavs, I guess. They look it, anyway.

The COURT. Snowden, I take it, is English?

The WITNESS. Snowden has a bad record around here. Away back in—I can't remember the years now; it might have been 1930, 1940—there was a convention here of the CIO. John Lewis was up here and I think the convention was down at the Statler Hotel. Snowden came down there, and four or five others, with a blackjack and they assaulted the assistant to John L. Lewis in the lobby of the Statler Hotel. They had a fight, broke up all the cigar cases and everything else in the lobby, and that same group was mixed up in that one, and shortly after that then, Snowden got fired. But his general reputation around town has been that kind of guy. Why a company would want to employ those people, I don't know. Most of the companies, they all have them. Up in Flint they have a group, Frederico was responsible for. In the last General Motors strike he prolonged that strike three more weeks—just that kind of tactics. They thrive on trouble. They thrive on the fear of the decent American citizen that works in the plant of getting blackjacked. They run these meetings so the fellows go home and sit on the front porch—let them have it. If what you are doing now had been done in 1938 and 1939, it would render this industry a great service around here.

The COURT. Had we had a Grand Jury then?

The WITNESS. Yes.

Mr. GABER. In other words, we are a little late.

The WITNESS. Never too late.

The COURT. Well, do you think, just passing, what we have been talking about for the moment, do you think this Grand Jury has had any beneficial effect on the labor situation in this area?

The WITNESS. I would say yes, and I don't know too much about it. I haven't been around too much lately, but in this Teamster's strike here with Jimmy Hoffa and that crowd, I had some dealings with him years ago, this kind of a proceeding here, there's one fundamental basic thing, it makes them think before they violate the law a little bit. At least, they go under cover. They don't do it in the open.

The COURT. Of course, you understand the purpose of this Grand Jury is not to interfere with lawful labor relations or lawful union activities?

The WITNESS. I understand that.

The COURT. It is purely in the field of rackets.

The WITNESS. That's right.

The COURT. To eliminate from lawful labor activity anything that is tantamount to a racket, in other words, a violation of the criminal law of the state of Michigan.

(Discussion off the record.)

The COURT. Is there anything you know about this Briggs situation that we haven't asked you about that might throw some light on this for us?

The WITNESS. Well, as I say, on the scrap end of it, I am completely in the dark. If I knew anything, I would be glad to tell you. I don't know a thing about it, but I am really surprised at what you say about this scrap guy getting in there. I was under the impression and felt sure it was a little war going on among those fellows. They have an election right now in the next few weeks, and the candidates for office are Ernie Mazey and Ken Morris—I forget the other fellows' names, but the same old crowd are trying to get in. By violence, they could beat up the opposition and get them out of the picture, because their arguments have been right along, "you might as well take these fellows back in the plant, because they go down to the local meetings anyway. They are just going down confusing these union meetings. Instead of going on about their own business somewhere else, they're still hanging around the local, causing trouble. That may be the sequence of these things.

The COURT. Where do these fellows who are not employed at Briggs and still hang around the union, where do they get their remuneration?

The WITNESS. I don't know. I would like to know myself.

The COURT. Suppose they made an application to go to Chrysler, would their record be flashed up they were connected out at Briggs?

The WITNESS. Yes, they wouldn't hire them.



The COURT. So they are practically out of commission.

The WITNESS. Their stock in trade is to try and get back into the plant through beatings.

By Mr. GABER:

Q. Most of these beatings took place after these fellows had been beaten as candidates?—A. That's what I was talking about. They are still hanging around there causing trouble.

Q. And Kenny Morris, the last to be beaten up, is editor of the Voice of 212, or writes editorials for it. He was the last to be beaten up. He had 6 skull fractures, but he's now with the present crowd riding the crest of the wave?—A. I can quite imagine, if I was interested in the local union, interested in its affairs and trying to carry on those fellows hanging around union hall wouldn't leave, were always at the meeting causing trouble, I would naturally do something about it—throw them out of the window or do something about it.

Q. But the point I am trying to make, the fellows in power, Mazey, the regional director, and this little Kenny Morris is his friend, even after he was in there he was the last beating—May 1946, he was the last fellow beaten up.—A. Of course, all the fellows beaten up, they're all in the same group.

Q. Well, Mrs. Dollinger was a Trotskyite; Snowden, if he isn't, should be, and I guess the Vega boys are a little inclined that way, but Kenny Morris doesn't seem to fit in that category. The only thing I find he did objectionable to anybody in particular, he wrote a rather nasty article about Mr. Robinson, about a certain letter Mr. Robinson put out in the plant which upset Fay Taylor pretty well, and then shortly after that he's taken care of, and then two or three months ago, he received another threat, if he didn't lay off, he was going to be taken care of.—A. Maybe they do like the United Mine Workers, organize an organization you all read about, the Molly Maguires years ago. They had the same kind of a group. They undertook, through violence, to drive out of control the union unsatisfactory people. There were 21 people hung over that in the coal regions.

The COURT. Hung?

The WITNESS. Yes. The companies employed the Pinkerton Detectives to join the union up there and join the Mollies, and at that stage of the proceedings the Ancient Order of Hibernians—my father was a member—comprised the majority of the workers in the coal fields. They are mostly Slavs and Polish now. At that stage they were mostly Irish and Welsh. They got in the hands of bad people, the same as up here. Finally they were broken up, a lot of people went to jail, and a lot of people were hung over there.

The COURT. Hung under the direction of the State?

The WITNESS. Yes.

By Mr. GABER:

Q. By the same token, if certain people of unsavory character were employed through a salvage contract or scrap contract to put the fear of God into certain individuals, you would arrive at the same results, wouldn't you?—A. Naturally, but I wouldn't think the company would go into a deal like that. I don't see how they would win on that. I don't see how a company of that size would make a deal with a fellow of that type to beat up unsatisfactory people.

Q. They are losing about \$14,000 a month on this contract.—A. It don't make sense to me. Maybe you are absolutely right. Where I sit, I don't agree with you.

Q. Men from their own company, figure they are losing \$14,000 a month; that's \$170,000 a year they are losing on that scrap contract, to this inexperienced boy, whose father was killed in the jail house over here, and whose uncle has been tried for murder, and his father-in-law has served time, was arrested during the war and has been known as a strikebreaker; yet they are doing business with him at a loss of \$14,000 a month over the whole set-up.—A. It's an amazing picture.

(Discussion off the record.)

(Witness excused.)

4:15 p. m.

AUGUST JOSEPH KRAFT, having been by the Court previously duly sworn, was examined and testified as follows:

Examination by Mr. GABER:

Q. Now, I asked you a question the other day and you came right back up with an answer.

The COURT. You are still under oath.

By Mr. GARBER:

Q. I asked you how you account for a certain note I read, "if anything happens to me, this is the doings of my husband, and so forth. See a man on East Jefferson." Do you remember?—A. Yes.

Q. You say you had an answer how that got into the home.—A. Well, I didn't say I could say whether that was written on there. I said the writing that was done on the calendar, what that writing was I don't know, but I said that was done by this man Russian Johnny. What it said on there, I don't know. I didn't say what the reading on it was.

The COURT. Did you ever see this calendar?

The WITNESS. No, I didn't.

The COURT. Then, of course, you didn't see any writing on the calendar?

The WITNESS. No, I didn't.

The COURT. Where did you first hear about a calendar?

The WITNESS. I heard that on December 2nd, when this couple came to the jail in Mount Clemens and told me then.

The COURT. What did they tell you?

The WITNESS. A certain bundle of magazines were taken over to that house, to Mrs. Thompson's house. Also, the writing on that calendar should have been done the night Mrs. Thompson was picked up. That was October 11, 1945.

The COURT. That all the writing on the calendar was done that night?

The WITNESS. Supposed to have been done that night.

The COURT. By Russian Johnny?

The WITNESS. Yes.

The COURT. Was there any other writing found around there?

The WITNESS. Not that I know of. I was in jail at the time, and I am just repeating what I was told by these people that visited me.

By Mr. GARBER:

Q. When we quit here the other night, we were talking about these people being up at the jail. You said these people said they had a sheet, and did they say they know what kind of instrument Mrs. Thompson's throat was cut with?—

A. They said it was the same thing I was talking about the other night. They said it was a large knife, and from what they tell me, I presume it was the knife I put the handle on, the one I call a sugar-beet knife.

Q. Describe a sugar-beet knife to the Judge.—A. It had a blade on it about that long, a blade about that wide. The handle on it was about that long, because I put the handle on it.

Q. The handle is a smooth handle, like the handle on a cycle something of that nature?—A. More like a cleaver handle.

Q. How did you fasten it?—A. Copper rivets.

Q. What was it, wood?—A. No, fiber.

Q. Fiber, riveted on the blade?—A. Yes.

Q. Who did you make the repair of that knife for?—A. A man by the name of Sands; Ernest Sands.

Q. Who is Ernest Sands?—A. Well, a good friend of this Mr. Peters. He comes around the mission quite often.

Q. What does he do?—A. I think he's a contractor.

Q. Does he own a car?—A. Yes, he does.

Q. What kind of car?—A. The last I know, he owned a Hudson sedan.

Q. Blue?—A. Blue.

Q. That's the color of the car you told us the party was driven out there with?—A. I didn't say they was driven out there in that car. I said these people told me they was driven out in a blue Hudson sedan. The only one I knew of was Mr. Sands'—the only blue Hudson sedan I know of.

Q. Mr. Sands that hung around the mission did have a blue Hudson sedan?—A. Yes.

The COURT. When you say "blue Hudson sedan," who told you?

The WITNESS. The people who visited me at the jail.

The COURT. When you say "they," who do you mean?

The WITNESS. Mrs. Thompson's body was driven out where they found it.

The COURT. They said—

The WITNESS. That Mrs. Thompson's body was driven out there by two men.

The COURT. To the place where they found her?

The WITNESS. Yes.

The COURT. How did you first get knowledge of this knife, this beet knife?

The WITNESS. Well, this knife I repaired while I was there at the mission.

The COURT. Who told you about it, that that was the instrument used?

The WITNESS. These same people told me they had the instrument.

The COURT. They had that instrument?

The WITNESS. They had that instrument; they had a pair of handcuffs, used to handcuff Mrs. Thompson to the bed with, her arms spread out.

The COURT. Where did they say she was killed?

The WITNESS. They said at this house about four miles out of Pontiac, and the way they explained it to me, I thought I knew exactly the house they were speaking about, but, of course then I hadn't seen the house in two years or more, and the house the last time I saw it was under construction and now that the house is all finished—

The COURT. You can't identify the house?

The WITNESS. I can't identify the house.

The COURT. Whose house was it?

The WITNESS. I don't know who owned it.

The COURT. Who did they say drove her out?

The WITNESS. Well, they said the two men who came to my store while I was in Pontiac—those were the two men. There were four people at this house where Mrs. Thompson was held over night, three men and a woman, and they said two men drove Mrs. Thompson's body out.

The COURT. She was killed in that house?

The WITNESS. She was killed in that house, killed the night before and held in that house till about 6:30 the next morning.

The COURT. What kind of car did Mrs. Thompson have?

The WITNESS. A Buick, I believe.

The COURT. Where was her car found afterwards?

The WITNESS. I don't know. I couldn't say.

The COURT. Did you ever see the Buick car or Mrs. Thompson?

The WITNESS. Yes; I did.

The COURT. Did you ever see her drive?

The WITNESS. I can't say I saw her drive it; no.

The COURT. Was she able to drive a car?

The WITNESS. Well, I don't know if she was, because anytime I saw her she had another woman with her, and this other woman drove the car.

The COURT. Were you ever in Mrs. Thompson's home on the lake front?

The WITNESS. No; never.

The COURT. Do you know whether she had dogs or not?

The WITNESS. No, sir; I couldn't say.

The COURT. Did you ever see her take a drink?

The WITNESS. No, sir.

The COURT. Do you know what kind of whiskey she drank?

The WITNESS. No, sir; I don't.

The COURT. Did you ever know of her to buy whiskey?

The WITNESS. No; I didn't.

The COURT. Did you ever know of her to carry any whiskey in her car?

The WITNESS. I never saw any.

MR. GARBER. What kind of whiskey do you drink?

The WITNESS. Not much of any kind since I had the operation. I had better not.

The COURT. Does this so-called mission house face on Auburn Avenue?

The WITNESS. Yes; it does.

The COURT. Is there a parking lot on Auburn Avenue?

The WITNESS. Yes, sir.

The COURT. On the same or the opposite side as the mission house?

The WITNESS. The opposite side, a few doors down.

The COURT. Did Mrs. Thompson often go into that parking lot with her car?

The WITNESS. I saw her there before I actually knew her name, three or four times.

The COURT. Was she driving?

The WITNESS. No.

The COURT. Did she drive in?

The WITNESS. This other woman was usually with her and she drove all the time.

The COURT. Did these people tell you where Mrs. Thompson spent the last day of her life? Assuming she was murdered October 11, 1945, where did she spend that day?

The WITNESS. I couldn't say.

The COURT. Do you know who she was with that day?

The WITNESS. No; I don't. I could only say she was picked up at 6:15 that evening.

The COURT. Where?

The WITNESS. At the corner of Huron and Saginaw Streets, the Walgreen Drug Store.

By Mr. GABBER:

Q. How far is that from the parking lot where you worked?—A. About three blocks.

Q. Which way?—A. North.

Q. Oh, into Pontiac?—A. North, yes.

The COURT. She was picked up at 6:15?

The WITNESS. Yes; approximately.

The COURT. Is Huron Street that the courthouse is on?

The WITNESS. No; I don't think it is. I think the courthouse is the next block, but Huron is a street that runs east and west. Saginaw runs north and south. Saginaw is the main street.

The COURT. Huron Street crosses Saginaw, or does it just come up to Saginaw?

The WITNESS. It crosses Saginaw; I am pretty sure it does.

The COURT. What corner was she picked up on?

The WITNESS. That would be the northwest corner, Walgreen's Drug Store.

The COURT. How do you know she was picked up there?

The WITNESS. These people told me so, that came to the jail to see me.

The COURT. What did they say?

The WITNESS. They told me she was picked up there at 6:15 and she was taken to this house outside of Pontiac.

The COURT. How did she get there?

The WITNESS. By a couple that was to meet her there. Mrs. Thompson, as I understand it, went to the drug store and at the lunch counter she had a light lunch. From there she used the telephone, pay-station telephone, and come out of the drug store and stayed on the south side of the drug store, that would be the Huron Street side, till a car came and picked her up there. She had an appointment.

The COURT. Where had she been before 6:15?

The WITNESS. I don't know.

The COURT. Had she been in Detroit that day?

The WITNESS. I don't know.

The COURT. Had she been in Highland Park?

The WITNESS. I couldn't say.

The COURT. Had she been at her own home on Orchard Lake?

The WITNESS. I couldn't say.

By Mr. GABBER:

Q. Where was her car supposed to be?—A. I don't know where her car was. I presume if we could locate this couple, they could give you this information.

The COURT. Did these people tell you where the keys of her house were?

The WITNESS. Yes—no; not the keys of her house, but the keys of her car.

The COURT. Where did they say they were?

The WITNESS. They claimed they still have the original keys for the car. When I am through answering your questions, I would like to make some remark on this testimony, if you will let me.

The COURT. Do you know if any keys were found in Mrs. Thompson's home at Orchard Lake after her death?

The WITNESS. No, but I know the keys in her purse the night after she was picked up, those were the keys of her car.

The COURT. The keys of her car were in her purse?

The WITNESS. Yes.

The COURT. Where were her house keys?

The WITNESS. I don't know where her house keys were.

The COURT. What became of the keys?

The WITNESS. These people have the purse and keys and the entire contents of the purse.

The COURT. These people, you never saw them?

The WITNESS. I never saw them till they came to the jail.

The COURT. These people that came to see you, you testified before, are they the ones told you they themselves had the keys and purse and the contents?

The WITNESS. Yes, and they have the sheet and the handcuffs and other things, weapons that should have been used. They claim they have everything.

The COURT. But they don't claim they were the perpetrators of the crime?

The WITNESS. No; they don't.

The COURT. But that somebody else was?

The WITNESS. That's correct.

The COURT. And she was murdered in that house that you are trying to locate, but you can't?

The WITNESS. That's right.

The COURT. The same night she disappeared?

The WITNESS. That's right.

The WITNESS. That's right; a man and woman.

The WITNESS. That's right.

The COURT. The people that talked to you in the jail were a man and a woman?

The WITNESS. That's right; a man and a woman.

The COURT. Where were you born?

The WITNESS. Here in Detroit.

The COURT. What is your parentage? What are you, German descent?

The WITNESS. Well, my mother and dad were both born in Germany. They came over here when they were nine years old.

The COURT. You were brought up in Detroit?

The WITNESS. Yes.

The COURT. Can you speak German?

The WITNESS. I used to be able to speak German good. I can yet, but not as good as I used to.

The COURT. You can read it, I suppose?

The WITNESS. No, I never could.

The COURT. Now, this man and woman that came to see you in the Mount Clemens jail, what language did they talk?

The WITNESS. Plain good American language.

The COURT. Did they talk with a foreign accent?

The WITNESS. No; good American language.

The COURT. They talked good English; were not foreigners at all?

The WITNESS. No.

The COURT. Did they say who these people were who did the killing, what nationality they were?

The WITNESS. No; they didn't say what nationality they were.

The COURT. Did they ever tell you there was a note found in Mrs. Thompson's house after her death?

The WITNESS. They didn't say anything about a note. They mentioned the writing on the calendar, though.

The COURT. Now, when you were in jail, you used to get the daily papers?

The WITNESS. Occasionally; not always.

The COURT. And you read considerable about the Thompson murder?

The WITNESS. Yes; I did. I was very interested.

The COURT. And about everything that was picked up they published in the papers?

The WITNESS. A lot of it; yes.

The COURT. Are you telling us something you read in the papers or something you connected in your own mind?

The WITNESS. No, sir; I am telling you the truth.

By Mr. GARBET:

Q. Did you ever see this lady before [showing witness picture]?—A. No.

Q. That isn't the woman that came and told you that?—A. No; she was much better looking than that.

Q. Better looking?—A. Yes.

Q. Now, according to these people you talked to, Russian Johnny was the fellow who did this writing?—A. That's what they told me; yes.

Q. You knew a Russian Johnny; didn't you?—A. Yes.

Q. What sort of looking fellow was that?—A. A short, husky, fellow, a fellow about five foot three or four.

The COURT. Now, if it turns out, Mr. Kraft, that the writing on that calendar was quite extensive and shows it was written on various days, and it was actually in the handwriting of Mrs. Thompson, what would you say to that?

THE WITNESS. I wouldn't know anything about it, sir. I am just trying to tell you what I was told. I don't know how much writing was on it, or what was written on the calendar. I am just telling you what I was told.

THE COURT. Well, there was considerable writing, quite extensive, and there is some strength to the statement that it is in her own handwriting. So if her own handwriting appears there, Russian Johnny didn't do it, did he?

THE WITNESS. Well, I couldn't say.

THE COURT. Well, if it is in her handwriting, he didn't do it?

THE WITNESS. Well, if it is in her handwriting, and it could be proven it was her handwriting—

THE COURT. Well, if it is proven it is in her own handwriting, and the people who talked to him in the jail said Russian Johnny did it, they are not telling the truth?

THE WITNESS. I suppose if it could be proven she wrote it.

THE COURT. You wanted to tell us something.

THE WITNESS. I want to say this testimony I have offered here, I realize, sounds ridiculous, but I have tried to stick to the story as Mrs. Thompson told me, or these people that talked to me.

THE COURT. What did Mrs. Thompson tell you?

THE WITNESS. About what I testified to the other day, when she first told me about being sent to Mr. Peters, and so forth, but what I would like to say, I know this testimony sounds ridiculous. The first question that comes to your mind, why should these people come to jail to see me; they didn't know me, I didn't know them. I can understand it. These people were good friends of Mrs. Thompson. Mrs. Thompson told them about me, and what we planned to do if I was acquitted. Mrs. Thompson and I both planned to go to the Federal Bureau of Investigation here in Detroit.

THE COURT. What for?

THE WITNESS. She was to tell the exact story, how she's been blackmailed, how they have been chiseling money out of her.

THE COURT. Who was chiseling money out of her?

THE WITNESS. This organization she was mixed up with in Pontiac.

THE COURT. This church cult?

THE WITNESS. That's right. We had planned to do that, and, like I say, these people were well acquainted with Mrs. Thompson.

THE COURT. Now, just a minute. You were, at least, fairly well acquainted with Mrs. Thompson?

THE WITNESS. Yes.

THE COURT. At the time she was murdered, you were in jail at Mount Clemens?

THE WITNESS. Yes.

THE COURT. So you didn't know she was killed. And when is the first knowledge you had of it, from the papers?

THE WITNESS. Yes; the first day that they found her body, when there was something published in the newspapers about it, the description and so forth.

THE COURT. Well, you couldn't identify her until she was afterwards identified.

THE WITNESS. I told the deputy sheriff there that night who I was sure it was, and it turned out to be Mrs. Thompson.

THE COURT. Now, these people came in twice, as I understand.

THE WITNESS. That's correct.

THE COURT. The last time was the second of December 1945.

THE WITNESS. That's correct.

THE COURT. They came in before. You didn't have their names and address.

THE WITNESS. The first time I saw them.

THE COURT. You were talking about a very serious matter, about a murder of a woman you knew, weren't you?

THE WITNESS. Yes, sir.

THE COURT. Did you ask them then what their names were?

THE WITNESS. Yes, I did.

THE COURT. What did they say?

THE WITNESS. They refused to give me their names.

THE COURT. Did you ask them where they lived?

THE WITNESS. Yes, I did.

THE COURT. Did they help you where they lived?

THE WITNESS. No. They said they would take care of that later on, as I told you, when I put that ad in the newspaper, they would contact me and tell me everything.

THE COURT. Now, you see, you are telling us a story, and you have no personal knowledge of the killing of this woman. She was killed, murdered, but the people that informed you were a man and woman that came twice to the jail, the second time on the second of December 1945. Her body was recovered on the 13th, on a Saturday.

THE WITNESS. Yes, in October.

THE COURT. And identified on the 14th.

MR. GARBER. The 13th, Monday.

THE COURT. Identified on the 15th of October. These people talked to you on two occasions. You don't know who they are. You have never seen them since. You don't know their names, and you don't know their address, and do you know the relation of the man to the woman? Were they husband and wife, brother and sister?

THE WITNESS. They was husband and wife.

THE COURT. What?

THE WITNESS. I would say they was husband and wife.

By MR. GARBER:

Q. And they were good friends of Mrs. Thompson?—A. Yes, they were.

Q. How did you arrive at that deduction?—A. Because they told me they visited Mrs. Thompson in her home, and Mrs. Thompson also visited them in their home.

THE COURT. And when was the last time they visited Mrs. Thompson?

THE WITNESS. I didn't ask them that, although I asked them many other questions, such as if they knew what kind of car it was that picked Mrs. Thompson up at the drug store. I also asked them if they knew who that couple was. They said that they did, and I had received a call there three weeks before Mrs. Thompson was murdered. This can be verified by the attorney general's office, that a woman was to be killed there.

THE COURT. Killed where?

THE WITNESS. In Pontiac. I received a call there at the jail that a woman was to be killed.

THE COURT. Who called you?

THE WITNESS. I assumed—I can't say. I am just getting at that now. I assumed it was to be Mrs. Carr, because she was to be a witness in my case, and I spoke to Mr. Willard's daughter, she was an attorney in Mount Clemens at that time. She came to the jail to see me about some other papers she wanted notarized. I spoke to her about it. I was worried, wanted to know what to do about it. She said, "Why don't you just write a letter to the attorney general," because I didn't know where Mrs. Carr was. My attorney had been trying to contact her. The other witness had been trying to contact her.

THE COURT. Who?

THE WITNESS. Mrs. Carr, a witness in my case. She couldn't be located. When I got that call, I assumed it was going to be her.

THE COURT. Now, you think since, it was the murder of Mrs. Thompson. You assume it was the murder of Mrs. Thompson?

THE WITNESS. Yes.

THE COURT. Why would you assume that and if Mrs. Thompson had been chosen by someone to be murdered by them, why would they call you up?

THE WITNESS. Because when Mrs. Thompson visited me on the first of August, I requested she shouldn't visit me any more.

THE COURT. Visited you where?

THE WITNESS. At the jail, sir.

THE COURT. Mrs. Thompson visited you at the jail on the first of August?

THE WITNESS. Yes.

THE COURT. Is there any record of that visit?

THE WITNESS. I don't know, but there is one man I introduced her to. I believe he will remember.

THE COURT. What man?

THE WITNESS. He was a trusty at the jail at that time. He came up to me just as I was talking to her. I introduced him to her.

THE COURT. What was she over to visit you for?

THE WITNESS. She wanted to know if there was anything she could do to help me.

THE COURT. Why would she be interested?

THE WITNESS. I presume she was interested, because I helped her. I helped her on the night the two men wanted to take her out of the car on the parking lot, I saw her after that. She told me about the trouble she was having.

THE COURT. Who do you think killed her?

THE WITNESS. Who do I think killed Mrs. Thompson?

THE COURT. Yes.

THE WITNESS. Well, I think in just a few days' time I could bring them in here, how sure I am I know who killed her, but I can't mention their names.

THE COURT. How would you bring them in?

THE WITNESS. I believe I could locate them in Pontiac easy enough.

THE COURT. How?

THE WITNESS. Like I say, if I could contact these people, like running that ad in the paper. I know they are watching the Pontiac Daily Press for that ad to appear. I know two of these men of the four. They was four people altogether in that house. There was one woman and three men. I know one of these men is working at Yellow Coach in Pontiac, and the other is working at Woodall Industries in Detroit.

THE COURT. Did Mrs. Thompson ever pay you any money?

THE WITNESS. Never.

THE COURT. Did you ever pay her any?

THE WITNESS. No, I didn't.

THE COURT. Do you know any financial transactions she had the last two or three weeks of her life?

THE WITNESS. The three weeks before my trial—my trial was on October 5th—three weeks before my trial, these two men came out to her house on Orchard Lake, because she called me the next day at the jail by telephone, but she didn't call from Pontiac. She called from Highland Park, and she told me those two men had been there, like the night before, and that she got mad and told them if I was going to be convicted, she was going down to the FBI in town here herself, and tell them the entire story. Now, I believe that has a whole lot to do with Mrs. Thompson being killed when she was killed. I presume eventually she would have got it, but I believe that's hastened her killing.

THE COURT. What did?

THE WITNESS. Telling the men that night if I was convicted she was going to go to the FBI in Detroit. She was not only going to tell how she was blackmailed, but how I was framed up.

THE COURT. Who was blackmailed?

THE WITNESS. Mrs. Thompson was.

THE COURT. Well, Mrs. Thompson was going to the FBI to complain to them of how she herself was being blackmailed?

THE WITNESS. That's right.

THE COURT. Who was blackmailing her?

THE WITNESS. These men in Pontiac. This organization.

THE COURT. What are their names?

THE WITNESS. I don't know their names.

THE COURT. Where do they live?

THE WITNESS. I don't know.

THE COURT. What's their business?

THE WITNESS. I imagine killing people. I know they are a bunch of hoodlums. I know them when I see them. They have been in my store. They threatened me, and I know them when I see them.

THE COURT. What's the name of that jailer in Mount Clemens, to whom you introduced Mrs. Thompson?

THE WITNESS. He wasn't the jailer. He was a trusty in there.

THE COURT. A man serving time?

THE WITNESS. Yes.

THE COURT. Is he there now?

THE WITNESS. No, but they must have his name and address. Cecil Lucas is what his name is.

THE COURT. You don't know where he is?

THE WITNESS. They have his name and address at the jail.

THE COURT. You don't know whether he went to prison or not?

THE WITNESS. No. He was only serving, I think, a sixty-day sentence there.

THE COURT. Do you know a fellow by the name of Frank Selvidge?

THE WITNESS. Yes; I do.

THE COURT. When did you first meet him?

THE WITNESS. Last July.

THE COURT. Where did you meet him?

THE WITNESS. At the prison at Jackson.



The COURT. Did you talk to him?

The WITNESS. Yes; I did. I sent for him.

The COURT. What kind of deal did you make with him, what proposition?

The WITNESS. I didn't make any deal whatsoever. I knew he was interested in the Thompson case.

The COURT. What did you do?

The WITNESS. So I wrote him a letter asking him if he would like to come down. I would like to talk to him. I talked to him, explained everything I knew about the Thompson case. I told him what my plans were. He wanted to get me out right away, and have me brought down here. I said, no, I didn't want to do that. "All I want to know, if I appeal my case and appeal bond is set, would you go with me then to the proper authorities, go with me to Pontiac, go to these people I claim actually committed the Thompson's murder and the other murders, work along with me, will you go with me?" There's a telegram he sent me, so that's the exact date.

The COURT. July 20, 1946?

The WITNESS. That's right.

The COURT. He was going to visit you Monday morning, July 22nd?

The WITNESS. And he did.

The COURT. He did.

The WITNESS. So that was my agreement with him. I didn't want to go to the police or anything. I talked the entire thing over with him. He asked me several questions. Then, later on, about the 6th of December, these two gentlemen came, you know, Sergeant Dodge and Mr. Garber here.

The COURT. You have never seen any of the weapons used on Mrs. Thompson?

The WITNESS. Outside of my own webbing stretcher and the knife that I put the handle on.

By Mr. GARBER:

Q. Did this woman have any accent at all that talked to you, Kraft?—A. Which one?

Q. These people that talked to you?—A. No.

Q. What nationality would you say they were?—A. I would say good Americans.

Q. What particular ancestry, Irish?—A. They probably were. I know they talked good American language.

Q. Was it a refined-looking person?—A. I would say he was Irish more than she—more like I would say about her.

Q. How old would you say they were?—A. About 45 years old, between 40 and 45 years old.

Q. And they gave you to understand they were good friends of Mrs. Thompson?—A. Yes; they must have been well acquainted with her, because they related things to me that they otherwise wouldn't have known, things about me, that Mrs. Thompson told them.

(Discussion off the record.)

(Witness excused.)

---

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a one-man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, September 12th, 1946.

Present, Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Samuel L. Travis, Special Assistant Prosecuting Attorney; Mr. Frank G. Schemanske, Chief Assistant Prosecuting Attorney; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by Margaret Cameron, G. L. McGuire, Reporters.

ROBERT N. JOHNS, being by the Court first duly sworn, was examined and testified as follows.

Examination by Mr. TRAVIS:

Q. Will you state your full name?—A. Robert N. Johns.

Q. You are a Ford dealer in the city of Detroit?—A. Yes.

Q. Where is your place of business located?—A. 7811 Gratiot.

Q. How long have you been a Ford dealer?—A. 30 years.

Q. And you are familiar with the efforts and organization of the Ford dealers, both by the CIO and AFL?—A. I think so.

Q. I understand you have taken an active part in sort of semiofficial organizations of the Ford dealers. I understand that you are a member of the labor committee and also of the advertising committee?—A. That's right.

Q. When did you first become a member of either of those two committees?—A. Well, I can't remember dates very well, but one time they made a change in the branch managers, and they took Mr. Mack out of there and put a man in by the name of Doss, and up until that time the branch was handling all the funds of the advertising funds for the dealers, and when Mr. Doss came in there as branch manager, he said that he wanted the dealers to handle their own money, and I think he sent out letters, or I think it was the branch sent out letters with dealers for them to vote on, for them to go on the advertising committee, and at that time is when the committee started.

Q. Now, when would that be?—A. I would say that would be probably five or six years ago.

Q. You have been a member of that advertising committee ever since?—A. That's right. They have never changed that, all of the same members. One of them died here a year ago.

Q. And as I understand the other members are secretary, Mr. Wheeler from Ohio.—A. That's right.

Q. And Mr. Harris, Lansing, is the chairman?—A. That's right.

Q. And besides yourself, Mr. Deyo, of Detroit; Mr. Wienecke, of Saginaw; and Mr. Holmes, of Battle Creek—is he Battle Creek or Jackson?—A. I think he's from Battle Creek.

Q. Now, what about the labor committee? When was that formed, to your knowledge?—A. Well, I think—I think that must have been around 1941, I think.

Q. How long have you been a member?—A. I think about two years.

Q. And did you take office with Mr. Edmondson and—A. Kay.

Q. Mr. Kay?—A. That's right.

Q. And you replaced Mr. Wallace Dodds, and other members of the committee at that time?—A. That's right.

Q. Would that be approximately September 1944?—A. I could's say the month.

Q. That would be about two years ago?—A. I think it would be around two years.

Q. When did you first have or face the organization efforts of the CIO Mechanics Union?—A. The CIO—you mean as a committee?

Q. No, when did your company?—A. Well, I think they come in about that time, about, I would say, four or five years—four years.

Q. You have a contract with that CIO union?—A. Yes.

Q. Who represented the union at the time you signed a contract?—A. I think that it was Dooe.

Q. Did you have a strike?—A. Oh, yes, yes, we was out for a couple of weeks.

Q. At the same time the other Ford dealers were having their difficulties?—A. Yes.

Q. Was Mr. Morris Nort associated with the union at that time?—A. Well, I understand that he was. I had never seen him or Dooe at the time. I happened to be out of town at the time they came out and took over at our place.

Q. Will you tell us briefly the circumstances surrounding the signing of a contract with the CIO? Tell us what happened?—A. Well, the dealers were out for a couple of weeks, and, of course, they had quite a gang, a mob of pretty tough fellows around that put them out. I wasn't at my office at the time, but the service manager told me they was such a tough gang, about fifty of them, he told the boys not to try to have any fight, they better go out with them.

The COURT. What is the service manager's name?

The WITNESS. Mr. Hicks.

The COURT. Is he with you?

The WITNESS. Yes, he's with me.

The COURT. What is his first name?

The WITNESS. Jim—James.

By Mr. TRAVIS:

Q. You were not present when the so-called goon squad arrived?—A. No, I was not.

Q. When you got there the strike was already on?—A. Yes; I think I was away for the day.

Q. You say it persisted for two weeks?—A. The strike was on for two weeks.

Q. What was the issue of the strike?—A. Well, they wanted them to join the union.

Q. What was the attitude of your men?—A. Of course, they told us they didn't want to join, and after they was out a couple of weeks or ten days, we gave them a chance to come back, told them we were going to open up. They didn't show up. They all got hold of the service manager or someone else and told them they were afraid to show up.

Q. Because of the union?—A. Yes.

Q. How was it finally resolved?—A. Well, they stayed out and we had a meeting and they decided at the meeting they better go back. They took a vote, and I think the majority of the dealers wanted to get back.

Q. And a contract was then signed by the dealers with the CIO Local 415, is that correct?—A. I think so.

Q. Well, now, for your information, about the month of March 1942, Mr. Morris Nort, who was formerly an employee of W. B. Deyo, as a salesman, went to work for this local 415, CIO, and continued to work for them until about February 1943, and on March 1, 1943, he appears on the payroll of the Ford dealers at a salary of \$100 a week, his salary being paid from the advertising fund, a committee of which you stated you are a member.—A. That's right.

Q. Now, can you tell us what you know of the circumstances that surrounded the hiring of Morris Nort?—A. Well, if I remember right, and I am not too sure on that, whether we met in a smaller group—I know it wasn't just the committee—out to the Ford Motor Company. We had several meetings out there, where they would invite eight or ten dealers, and I am not sure whether it was at one of those meetings of whether they held a general meeting of all the dealers, but anyway it was suggested by Mr. Mack that he thought it would be a good idea to have somebody help the committee and take a little of the grief off the committee.

Q. You are talking about the advertising committee?—A. No, no; I am talking about the labor committee.

Q. You were not a member at that time?—A. No, no; I wasn't a member at that time.

Q. You state at one of these informal meetings, Harry Mack suggested the committee could use some help.—A. At one of the meetings, I don't know whether a general meeting or a meeting of a group—sometimes he would call a group of the larger dealers in. There's forty dealers in Detroit. He might call ten in.

Q. You are sure it was Harry Mack you suggested the committee needed help.—A. Well, I am pretty sure he is the one. The first time I ever seen him, he was there. I had never seen him before.

Q. You are referring to Morris Nort?—A. Yes.

Q. Was it Harry Mack suggested Morris Nort would be a help to the committee?—A. Yes, I am sure of that.

Q. What kind of help did this committee need? What did they need Mr. Nort for?—A. To get any grievances settled, if they could, without calling the dealers, spending the dealers' time.

Q. Why was Morris Nort selected?—A. Well, I don't know if he went out and sold the idea to Mr. Mack or how that come about, but we all know that he was in with the CIO before we hired him, we knew that, and whether they thought that experience he had would help us or not—I think that was the idea.

Q. Anyway, he was approved by the Ford dealers?—A. Yes.

Q. And started to work at \$100 a week plus expenses?—A. That's right.

Q. Which was later increased to \$150 a week flat, including expenses?—A. I never knew.

Q. You didn't know there was an increase?—A. I never knew what he was getting.

The COURT. Nort came into the picture at the suggestion and approval of Harry Mack?

The WITNESS. I think Harry Mack—I am pretty sure Harry Mack is the one.

The COURT. That recommended him?

By Mr. TRAVIS:

Q. Spearheaded it?—A. That's right; that's right.

Q. Now, did you know that in September 1944, at about the time you were joining the labor committee, Nort's salary was increased from \$150 a week flat to \$250 a week. You knew that; did you not?—A. I don't think that I was ever at any meeting where they had agreed on any increase. Now I heard later on—one of the dealers come to me and said, "Ned, do you know Nort is getting about \$1,000 a month?" And I said, "No, I didn't know that." "Well," he said, "he is."

Q. Who was that dealer?—A. I think Edmondson.

Q. Your fellow member on the committee?—A. Yes, sir; he was on the committee, but they might have had a meeting. I didn't attend all these meetings. I have been going out to California a month or six weeks every year. They had meetings while I was away.

Q. Well, he was paid from this advertising committee of which you were a member?—A. Oh, yes.

Q. Didn't you know his salary was increased from \$150 to \$250?—A. I did not.

The COURT. If it was increased, it was increased without your knowledge, possibly in your absence from Detroit?

The WITNESS. Well, if they took it up with the general members—they might have taken it up with the general members. I don't remember any increase going through of any set amount. This is the first time I ever heard of \$150—right now.

By Mr. TRAVIS:

Q. Well, you can take my word for that.—A. Yes.

Q. But the increase Mr. Edmondson was talking about was from \$150 per week to \$250 per week.—A. Yes; he put it per year. He thought he was getting about \$1,000 a month.

Q. That's right.—A. Yes, about \$250.

Q. Now, how much work did Nort do as labor relations counselor, to your knowledge?—A. I would say very little.

Q. I think you share the views of other witnesses we have had on that subject?—A. What's what?

Q. Your views are similar to the views of other witnesses we have had on that subject.—A. Now, of course, I don't know all the work he done.

The COURT. Did he do any work for you?

The WITNESS. No, he never done any work for me.

The COURT. That is, for your firm?

The WITNESS. For my firm.

By Mr. TRAVIS:

Q. There were no strikes of the Ford dealers during that period of time since he was hired?—A. The only one that I remember of having any strike, and that is very short, and that was out to Park Motor Sales. I think there was a strike there, and there might have been some other strike. I don't know.

Q. Anyway, he didn't do much work that you could see.—A. I thought he had a pretty soft job, but I don't know how much work he done.

Q. Do you have any information why his salary was increased, then, when his work load was very small?—A. Well, I understood from some of the dealers, in talking things over, that he got that extra raise, after I found out that he did have it, because he was taking on more responsibility, and was taking on—the salesmen were going into the AFL, which he recommended, that he thought it would be a good idea for us to have our salesmen in the AFL rather than have them in the CIO. Of course, I never agreed with that, because I think it was a mistake.

Q. Now, Mr. Johns, the salesmen did go into the AFL union; at least, a contract was signed in April 1945; isn't that right? That is the date of your first contract?—A. I know we signed a contract.

Q. It was just renewed here last April.—A. That's right. I know we signed up, and I think it was after that he took on that work there, he done all the work on that.

Q. I understand that, but his increase in salary took place several months before this contract was signed in April 1945. What we are trying to drive at or get at is why his salary was increased at a time when his work load was very low. Do you know what representations he made?—A. No; I really don't know why that is—why his salary was raised several months before we went into the salesmen's union.

Q. Do you know why Wally Dodds resigned from that labor committee, and the others?—A. No; I do not, only that they felt as though they served their time. I know I have resigned now. I feel as though I served enough time.

Q. Do you know the members of that committee were resigning because of pressure being put upon them to increase his salary?—A. No.

Q. The ostensible reason being to take care of the union; did you know that?—A. No; I did not.

Q. When is the first time that there was any discussion of the Ford salesmen joining the AFL union, to your knowledge?—A. I couldn't say that. I don't remember when it was.

Q. Well, it was several months, at any rate, before the April 1945 contract was actually signed.—A. I think it was. I think it was several months before we signed.

Q. Did Nort ever come to you before that April 1945 contract was signed, in order to convince you that it was desirable these salesmen join the AFL union?—A. No.

Q. He never discussed that with you?—A. No; he never come to me because I never thought—I didn't think it was a good idea.

Q. Did you ever hear it said Nort was the one who was instrumental in proposing this AFL salesmen's union?—A. I think that I have heard that said from some of the dealers.

Q. Have you ever heard him propose it at a time when the union was not pressing you?—A. Well, yes; I have heard him say he thought that it was the thing for us to do; he thought it was the best thing for us to sign up with the AFL. Of course, I think Nort and Harry Mack talked as if probably the salesmen would get in some other union, and it wouldn't be as good for the dealers as if they joined the AFL. They thought we would get a better break from the AFL than from the CIO.

Q. Well, you weren't being troubled by either union at the time?—A. No. I say, personally, I don't think we should have joined any union, and personally I don't think there was any reason for it at the time.

Q. Did Nort tell you dealers that he could get a charter for an AFL union, put the salesmen in that union, and he could install a business agent of his own, and see to it the Ford dealers got a break?—A. He never told me that, nor I never heard him tell anybody else that.

Q. Well, he did.—A. I don't doubt it a bit.

Q. You know, that was the purpose of that union being formed?—A. For him to control—I never heard it from anybody.

Q. Did you ever hear from anybody because this union was a new union, had few members, that it would be necessary to help along financially the business agent?—A. No; I never heard that.

Q. And that was the reason he needed the extra \$100 a week?—A. No.

Q. You never heard that?—A. I didn't hear that.

Q. Do you know Nick Ditta?—A. Nick Ditta?

Q. Yes.—A. No; I don't.

Q. Did Nort ever come out to your salesroom and visit you for any purpose at all?—A. I think that he has been out there. I called him out there one time.

Q. Did he come out alone or was he accompanied by someone?—A. No; he was alone.

Q. Take a look at that picture and see if you can recognize that gentleman. That's a picture of Nick Ditta.—A. Yes; I think I have seen him.

Q. Where?—A. But the only time I ever seen him was out to the Ford Motor Co. at a gathering of maybe ten dealers, and we had lunch out there, and he was there at that time.

Q. Was Nort there also?—A. Nort and he was there, and that's the only time I ever seen him.

Mr. WATSON. Was he there as a dealer, Mr. Johns?

The WITNESS. No; he wasn't there as a dealer, because I know all the dealers.

By Mr. TRAVIS:

Q. What do you understand his presence there to be, the purpose of it?—A. Well, I really don't know what he was there for.

Q. Did you know he spent quite a bit of time together with Mr. Nort?—A. Well, I had heard some of the dealers—some of the dealers told me Nort had a body-guard. Now, I don't know whether it was him or someone else, but we had a great many meetings, and I have only seen that fellow once. He was never with Nort any other time.

Mr. WATSON. Well, had Nort been in your place from time to time in connection with any labor dispute?

The WITNESS. I think he was only in there once, and it wasn't a labor dispute. I wanted to see if we couldn't do something about getting our labor rate raised. We was paying him, and I thought he might be able to do something to help us, but they froze us at \$2.50 an hour, our labor, and a great many of the dealers was getting \$2.75 and \$3.

Mr. WATSON. You mean the amount at which you billed the customers?

The WITNESS. That's right; that's right. That's the amount we billed our customers, and I lost some mechanics because we were working on 45 percent at that time, and they were working on 45 percent of \$3, or \$2.75; they were making more money than my men were making. I wanted to get a raise through, but I couldn't do anything on it.

Mr. WATSON. Was Ditta with him on that occasion?

The WITNESS. No, no. I only remember seeing this man once.

Mr. WATSON. Were you introduced to him out there?

The WITNESS. No.

Mr. WATSON. Somebody just told you who he was?

The WITNESS. They didn't even tell me. I didn't know his name. He was sitting beside of Nort, and we had lunch there, and I don't remember what we talked about.

By Mr. TRAVIS:

Q. You don't know any reason why Nort should need a bodyguard, do you?—A. I do not.

Q. Well, is there anything that you could add to any of your testimony, Mr. Johns, that would assist us in our investigation?—A. There's nothing that I really know. Now, personally, I never liked the idea myself.

Q. What idea?—A. Well, the idea of having Nort or going into the union, going into the salesmen's union.

Q. But the Ford dealers voted it; didn't they?—A. Yes.

Mr. WATSON. Well, that was the result, though, of advice being sent down through the grapevine that it was the desire of the Dearborn branch, you gentlemen get your salesmen organized?

The WITNESS. Well, that's right.

Mr. WATSON. Sure.

The WITNESS. I think that they sanctioned it—they thing it's a good idea and when a branch thinks it's a good idea, the dealers usually go along with them.

By Mr. TRAVIS:

Q. It was Nort sold you all the idea of putting them into the AFL union?—A. Well, he didn't sell us on the idea.

Mr. WATSON. Who did?

The WITNESS. I don't think they were sold on it.

The COURT. They acquiesced?

The WITNESS. Yes.

Mr. WATSON. Nort carried the sales idea to you?

The WITNESS. Nort tried to, but couldn't sell any of the dealers.

By Mr. TRAVIS:

Q. What was the reason that you went into it?—A. We thought the branch thought it was a good idea.

Q. It was the branch again?—A. Yes.

The COURT. When you say "the branch," you mean the dominating factor in the branch, which was Harry Mack?

The WITNESS. That's right.

The COURT. He wanted it?

The WITNESS. That's right.

The COURT. He suggested that the dealers be unionized, and that Nort represent them as a labor counselor?

The WITNESS. We already had Nort.

The COURT. You already had Nort?

The WITNESS. Yes, we had Nort at that time, but he suggested it, yes; and, as I say, when they make a suggestion, the dealers sort of go along, whether they think it's the right thing or wrong thing to do.

By Mr. TRAVIS:

Q. Now, you have no information at all on the reasons behind the increase in wages of Nort?—A. I have not; I have not. I don't know, and don't know how much they give him.

The COURT. Did you say you knew Nick—what's that fellow's name?

Mr. TRAVIS. He just met him once, Judge, Nick Ditta.

The COURT. Nick Ditta. You just met him once at your place?

The WITNESS. No, out at the factory. He had lunch with us once out at the factory. He was with Nort. I don't think Nort even introduced us.

The COURT. Who else was there?

The WITNESS. I don't know who else, but I think 8 or 10 dealers.

The COURT. Harry Mack?

The WITNESS. Yes.

The COURT. Ditta and Nort?

The WITNESS. Yes; those three were there, and I think 7, or 8, or 10 dealers. I don't know what the meeting was about at the time.

Mr. WATSON. Mr. Johns, did you contribute to the \$10,000 Christmas present given Mr. Mack at Christmas 1944?

The WITNESS. I don't remember—1944?

Mr. WATSON. That's right, the Christmas before he left, where 10 of the dealers each put in \$1,000, and presented him with a \$10,000 present.

The WITNESS. No; I did not.

Mr. WATSON. Did you contribute to this going-away gift, when they transferred Mr. Mack to the Dallas branch, and got together \$8,500 and presented him with a cashier's check?

The WITNESS. I think I did.

Mr. WATSON. What was the extent of your contribution?

The WITNESS. I haven't any idea.

Mr. WATSON. You haven't any idea?

The WITNESS. I have no idea.

Mr. WATSON. Are you a member of Saddle Ridge Club?

The WITNESS. Yes.

Mr. WATSON. What did the privilege cost you?

The WITNESS. The privilege didn't cost anything to be a member, but I was one of twenty that put in \$5,000 apiece.

Mr. WATSON. On a share of stock?

The WITNESS. To Curtis Joy Land Company.

Mr. WATSON. On a share of stock?

The WITNESS. To Curtis Joy Land Company.

Mr. WATSON. Yes.

The WITNESS. I was one to—I put \$5,000 in, and I think that's when Harry Mack was getting out of it, not while he was in. I never rode a horse out there, and I wasn't in that clique out there. I didn't know anything about it until they come and the dealers talked to me about it.

Mr. WATSON. Who spoke to you, Mr. Dawson?

The WITNESS. No; Chuck Johns spoke to me, but they had told Eric Wienecke in Saginaw, because he's a pretty good friend of mine, and they told him to ask me to buy some stock, and he didn't ask me, and Chuck asked me, and I figured this way, I had never donated any money, given any money to a branch manager. I am the oldest dealer, and have seen a great many branch managers there. I was never in any kind of graft. I thought this seems all right, and I am an old dealer, I made considerable money, and they would think I am a cheap guy if I turned that down when it was the 20 largest dealers.

Mr. WATSON. You had a feeling at the time Mack was coming up with the five you were putting in.

The WITNESS. I figured he was getting out of it.

Mr. WATSON. He was unloading?

The WITNESS. See, I didn't know what kind of an arrangement they had out there, who owned it, but I had an idea that Harry Mack had the most money in it.

The COURT. When did you go in? When did you make the \$5,000 investment?

The WITNESS. I don't think it's much over a year ago.

The COURT. About the last of Mack's regime with the Ford Motor?

The WITNESS. That's right; that's right. I know Harry Mack called me in his office one time—

The COURT. Whose stock did he—what were you going to say?

The WITNESS. He called me in one time and said, "Did you see Eric Wienecke?" I said, "No." Well, he says, "We are kind of going to divide up this Saddle Ridge a little here, and he was to see you." Well, that's all he said to me, and so we have our stock in there, I don't think we will lose any money on it.

The COURT. Whose stock did you buy?

The WITNESS. They just was organizing there. See, they wasn't organized before, and they organized this Curtis Joy Land Company at that time for \$100,000 and there was 20 to put in \$5,000 apiece, and up until that time I really didn't know—

The COURT. Who owned the land before it was transferred to the Curtis Joy Land Company?

The WITNESS. I don't know.

The COURT. Did Mack own it?

The WITNESS. I don't know.

The COURT. But whoever owned the land, it was transferred to Curtis Joy Land Company, which was incorporated for that purpose.

The WITNESS. That's right.

The COURT. And Mack talked to you, as you said, and finally you decided you would put in \$5,000.

The WITNESS. He didn't sell me on the idea. Chuck Johns called me up on the phone and he's a very good friend of mine, and I turned him down flat. I didn't want any part of it. I went home and got thinking of it. I have made a lot of money in this Ford business. It's the first time they ever asked me to put up any money. It looks like a clean deal, nothing wrong with it. I called him the next day and said, "Chuck, you can put me down," and I sent my check for \$5,000 and got my stock.

The COURT. How many shares?

The WITNESS. I don't know if it's one share or five shares.

The COURT. It's a one-twentieth interest, as you understand it?

The WITNESS. That's right.

Mr. WATSON. Things have more or less clarified since Mr. Doyle has taken over, haven't they?

The WITNESS. Yes.

Mr. WATSON. A much healthier and more pleasant manner of doing business?

The WITNESS. Oh, yes. It's run a lot better, in my opinion.

Mr. WATSON. It seems to be in everybody else's, all the other dealers.

The WITNESS. Yes, I like it very much better.

Mr. WATSON. Is that all from this gentleman?

Mr. TRAVIS. I think so.

The COURT. How long have you been in the Ford?

The WITNESS. I have been a dealer for 30 years—30 years the 30th of last month.

The COURT. And you're located where?

The WITNESS. 7811 Gratiot. That's across from Sears, Roebuck—Van Dyke and Gratiot.

The COURT. A good location, isn't it?

The WITNESS. Yes, it's been a good location.

The COURT. Well, that's all we want from this gentleman?

Mr. TRAVIS. That's right.

(Witness excused.)

ALVIN RADEMACHER, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. WATSON:

Q. Mr. Rademacher, you are a Ford dealer?—A. That's right.

Q. At Alma, Michigan?—A. That's right.

Q. Our friend, Mr. Johns, who just left, tells me you are an older Ford dealer than he is.—A. I seen in the paper a while ago, he's been 30 years a Ford dealer. I thought at the time I ought to have my picture in the paper.

Q. How long have you been a Ford dealer?—A. Well, since September 1916, so I was about two weeks ahead of him.

Q. Have you always had your agency in Alma, Michigan?—A. No.

Q. Were you formerly located elsewhere?—A. Carson City, that's where I started. I was there 10 years.

Q. Is your place of business in Alma included in the so-called area of the Dearborn branch?—A. Right.



Q. As a dealer, were you a member of the advertising committee?—A. I am.

Q. What is the full title of that set-up, advertising committee of the Dearborn Branch dealers?—A. I don't think that's the name—Ford Dealers Advertising Fund.

Q. All right, how long have you been a member of that?—A. I couldn't tell you exactly.

Q. Since its inception?—A. I think I have been.

Q. All right; now, for a while that fund paid the expense of a labor-relations counselor, Mr. Nort, correct?—A. Well, I will have to take your word for that. I don't know the man's name, and I don't know as he was a real labor-relations man. I don't think he was.

Q. Well, you couldn't get any argument on that?—A. My thought of that man, he was the man employed by the Ford dealers, all of the Ford dealers would take their grievances to, and he was going and talking to the head man of the union, that's who I think it was.

The COURT. That is roughly a definition for labor-relations counselor?

The WITNESS. Well, we don't have any labor relations out in our part of the country.

By Mr. WATSON:

Q. There is no reason why dealers out in the state and dealers in Ohio and Indiana should pay any portion of that man's salary?—A. I kicked on that thing. I think the records will show that I kicked on it for a selfish reason more than a reason of fairness. I thought that right from the first time, and I again brought it up at a meeting and got in throwed out, and got it on the dealers' own. I think that was not from a fairness standpoint. I think it was a selfish standpoint.

The COURT. Selfish in what way?

The WITNESS. Well, I felt the country dealers, they could get that extra money—in other words, every dealer on every car, would put in \$10 in this fund, and so long as this guy is helping only the city dealers, my argument was, why should us guys out in the sticks help pay him. That's the selfish end of it. There's another side of it. That side, I could see the side, but I wouldn't admit it to the dealers, to the committee, we put this money in the fund, and we will put an ad in the Alma paper. The only guy that gets a benefit from that is Rademacher. The Detroit dealers put an ad in any one of the Detroit papers. That comes to Alma. Probably more people read that than the local paper, but the Detroit dealers are paying for that.

By Mr. WATSON:

Q. You were getting the double dip.—A. Right, and that same picture holds true on your radio. For a while, I didn't sponsor, but fought for it, and got a farm-market report on these stations at Bay City, Grand Rapids, Kalamazoo. That don't do the city dealers a bit of good, but when they put something on WJR and WWJ, that helps us. Probably more people listen to that in Alma than listen to the Bay City broadcast. I don't want you to go and tell them that, but that's the picture as I see it.

Q. Were you familiar with the amount of compensation originally set up for this fellow?—A. I am not. I suppose I should be, but in the first place, that's quite a while ago. In the second place, at this committee meeting, you get into quite a lot of conversation, and I couldn't say how much this guy got. My guess is it's \$10,000. Let's see how near I am. You probably know.

Q. Well, here, the fellow started out and got \$100 a week plus expenses. Well, expenses are rather an intangible thing, and they got running pretty good, and they decided they could change his compensation after a period of time, put him on a flat \$150 a week. This may serve to refresh your recollection. Then, in September 1944, about which we specifically want to question you, that was raised from \$150 to \$250 a week. I want to know whether you, as a member of the committee, knew any of the reasons advanced as to why the man's income, his earnings, should be increased.—A. Well, I don't.

Q. Was it ever discussed at the meeting you attended?—A. Well, I wouldn't say that it wasn't, but I—at these meetings I wouldn't be apt to know that. I fight the principle—in other words, I fought the idea, but when I didn't win, then I didn't pay too much attention to them, and, I believe, I think that there's records there. I believe—I may be wrong, but I am satisfied that the secretary kept a record of it, and I think it shows when that came up, I thought it, and I believe it will show I am the guy that got it out of the fund.

Q. And paid for by a separate group comprised of the Detroit dealers?—A. That's where I figured it should be from a selfish standpoint, where it should be.

Q. It should be.—A. I am still selfish enough to work for Rademacher.

Q. Are your employees organized at all?—A. No.

Q. And neither the mechanics or the salesmen. You have never had any labor difficulties whatever?—A. No.

Q. At the inception, this fellow's duties, and it was Mr. Nort, if you don't recall, came pretty much as a result of the recommendation or inference from Mr. Mack, at the Dearborn branch, that he thought the fellow ought to be employed, do you recall that?—A. I wouldn't say that at all. I am quite sure Mr. Mack was at this meeting, the first meeting, but it's like I said before, I fought the idea and lost out. I had two other dealers with me. That's as far as we got. That was Larry Wheeler and Eddie Dean.

Q. Wheeler is from Fremont, Ohio?—A. Yes, but Wienecke was quite—it's all right with me either way—

The COURT. He's from Bay City?

The WITNESS. Saginaw, and Harris thought it might be all right, and so did Ralph Holmes, and, of course, your three dealers were all for it.

By Mr. WATSON:

Q. Did Mr. Mack speak in favor of it?—A. I wouldn't know.

The COURT. He didn't say anything against it?

The WITNESS. He didn't say anything against it. I think I am the only one that done the talking against it, that is, in the open, but Larry Wheeler and I talked it over. One of the Ford dealers brought it up, and I believe it was Stark Hickey, I am not sure, and Larry Wheeler felt the same as I did, and so did Eddie Dean. I am the oldest dealer, anyway—my mouth wide open all the time.

By Mr. WATSON:

Q. There had been a fellow before, Frank Nolan, do you know that name?—A. No; I wouldn't know the name of the man. I wouldn't know. I know the city dealers on the advertising fund were paying for somebody, some labor relations man, if that's what you call him, a man as I described a while ago what his duties were.

Q. Well, we want to bring you in to round out the picture. We have talked to most of the dealers, by now, and we wanted to get a slant from the men, particularly on the committee.

The COURT. To clear my mind, when they retained Nort as a labor relations man, did you ultimately pay any money into any fund towards his compensation? You might have stated that before.

The WITNESS. Well, we didn't pay any money in the fund. It was taken out.

The COURT. Did you pay anything into the advertising fund?

The WITNESS. We didn't pay in the advertising fund. It's added in the invoice and sent to the advertising fund.

The COURT. Isn't \$10 added to the price of the car?

The WITNESS. No, it comes out of us.

Mr. WATSON. It's added to the price of the car to you?

The WITNESS. To me, yes.

The COURT. Ultimately you pay the \$10?

The WITNESS. That's the way it works.

The COURT. It doesn't come out of the customer?

The WITNESS. No.

The COURT. Are you doing that right now?

The WITNESS. Yes.

The COURT. And that money, that \$10 item, is added to the cost of the car?

The WITNESS. No; it is to me, but not to the customer.

The COURT. Added to the cost of the car to the dealer.

The WITNESS. That's right.

The COURT. And that ultimately gets into the advertising fund?

The WITNESS. That's right.

The COURT. What becomes of the money in the advertising fund, the disbursement of it, you have no idea?

The WITNESS. Oh, yes. That's our function. That's our job. That's why the committee.

The COURT. You are on the committee?

The WITNESS. That's right.

The COURT. Therefore you are aware of the fact then, that that fund is the source from which the labor relations counselor's salary is paid.

The WITNESS. Not now.

Mr. TRAVIS. It was paid, Judge, until about October 1945.

The COURT. Where is it paid from now?

Mr. TRAVIS. Now, they have a special fund, which the dealers of Detroit contribute \$25 a month towards.

The COURT. And the Alma dealer paid nothing to——

Mr. TRAVIS. That's right.

The WITNESS. That's what I said I fought to get it out of the advertising fund.

The COURT. Then you fought successfully?

The WITNESS. Yes, eventually.

The COURT. So you're still paying that \$10?

The WITNESS. Oh, yes.

The COURT. Is it added to the cost of the car to you?

The WITNESS. That's right.

The COURT. But that goes for advertising?

The WITNESS. That's right, billboard, radio, newspaper.

The COURT. But then the fund that is used to pay the labor relations counselor is now raised by the Ford dealers?

The WITNESS. That's right. We have nothing to do with that whatever.

The COURT. Are you on any committee now, at present?

The WITNESS. Yes.

The COURT. What committee are you on?

The WITNESS. Just the advertising committee.

The COURT. Therefore you wouldn't know directly what the labor-relations counselor is getting, and how he got it?

The WITNESS. Oh, not now; we wouldn't know a thing about that.

The COURT. Is there anything else you want?

Mr. WATSON. No; I believe not. Thank you very much for coming in, Mr. Rademacher. As I say, we are just rounding the picture out. It is our duty to talk to everybody who has or might have knowledge about these matters.

The WITNESS. I am sorry I don't know too much. I think you might get much better information from the Detroit dealers, because they are interested. I think there are records of all this stuff. There may not be, but I think there is. (Witness excused.)

2:20 p. m.

ELIZABETH LUND, being by the Court first duly sworn, was examined and testified as follows:

The COURT. What is your name?

The WITNESS. Elizabeth Lund.

The COURT. Where do you live?

The WITNESS. 60 Clairmount, an apartment.

The COURT. What apartment?

The WITNESS. 404.

The COURT. Do you work somewhere?

The WITNESS. Michigan Automatic Phonograph Owners Association.

The COURT. What is your position?

The WITNESS. Secretary of the Association.

The COURT. How long have you been secretary of the association?

The WITNESS. Since February 1945.

The COURT. Where were you born?

The WITNESS. Miami, Florida.

The COURT. When?

The WITNESS. September 14, 1920.

The COURT. How long have you lived in Michigan?

The WITNESS. Since June 1935.

The COURT. Your people come from where? Are they Southerners?

The WITNESS. No; my parents are Swedish and Norwegian.

The COURT. You never lived in Michigan before 1935?

The WITNESS. No.

The COURT. Went to school in the south?

The WITNESS. Yes; part there and part up here.

The COURT. Are you married or single?

The WITNESS. Married.

The COURT. Was Lund your married name?

The WITNESS. Yes.

The COURT. What is your maiden name?

The WITNESS. Anderson.

The COURT. Both Swedish names?

The WITNESS. Yes.

Examination by Mr. GARBER:

Q. You have been secretary of this association how long?—A. Since February of 1945. I don't know the exact date.

Q. That was approximately at the time the corporation came into being?—A. Yes; they started at the end of January, I believe.

Q. I notice in one of your books here—A. Yes.

Q. That the corporation was incorporated January 15, 1945?—A. Yes.

Q. Is that approximately the date?—A. That's approximately the date. We didn't start functioning, I don't believe, until around the first of February.

Q. Will you explain the set-up of this corporation, as you understand it, please? Does this association cover the state?—A. Yes; it does.

Q. And how are the different locals divided up, like chapters?—A. Yes, into chapters.

Q. And a particular chapter in Wayne County or in the city of Detroit?—A. Yes.

Q. That is known as what?—A. Chapter 1.

Q. Where would Chapter 2 be, for example?—A. Muskegon.

Q. And the principal office?—A. It's the same place as local chapter 1.

Q. That is 712—A. 712 Ford Building.

Q. How many chapters are there in all?—A. We only have two.

Q. That is the one in Muskegon?—A. Yes.

Q. And the City of Detroit?—A. Yes.

Q. Does that take in Wayne County?—A. Wayne, Oakland, Macomb, Monroe, and St. Clair Counties.

Q. Does the corporation have an attorney?—A. Yes.

Q. Who is the attorney?—A. Thomas LoCicero.

The COURT. You mean the civil-service commissioner?

The WITNESS. No; he is in this building, 2300 something.

The COURT. He spells his name L-o-C-i-c-e-r-o?

The WITNESS. Thomas V. LoCicero.

The COURT. He is a civil-service commissioner, isn't he?

The WITNESS. He is an attorney. He is with Heal, Deeley, and LoCicero.

The COURT. He is the civil-service commissioner.

The WITNESS. I didn't know that.

By Mr. GARBER:

Q. You have him on retainer?—A. Yes.

Q. How much?—A. \$200 a month.

The COURT. Since when?

The WITNESS. Since the beginning of the association.

The COURT. Did he incorporate the company?

The WITNESS. I don't know. I wasn't there at that time.

The COURT. The first minutes probably would show.

The WITNESS. I think he was, but I couldn't say for sure.

The COURT. How do you spell that name?

The WITNESS. B-r-i-l-l-i-a-n-t.

By Mr. GARBER:

Q. Do you know what his business is?—A. He has a recording phonograph business on Cass Avenue.

Q. Do you know the name of the company?—A. Brilliant Music Company.

Q. Brilliant Music Company?—A. Yes.

Q. Does he own any so-called juke boxes?—A. Yes, he does.

Q. Who is he?—A. He is also an operator of juke boxes.

Q. What is his business known as?—A. Skinas Music Company and he is in partnership with Mr. William Skinas.

Q. Does he also operate a music company, juke boxes?—A. Yes.

Q. Do you know where his place of business is located?—A. Leslie. I think he operates from his home now. It is on Leslie.

Q. You don't know the number?—A. No.

Q. Could you find it here in the book?—A. No, he changed that just recently. He used to be over on Woodrow Wilson and he moved to his home.

Q. Who is the secretary?—A. Victor DeSchryver.

Q. And he operates what company?—A. Marquette Music.

Q. Who is your treasurer?—A. He is secretary and treasurer.

Q. He is secretary and treasurer?—A. Yes.

Q. Do you know the capitalization of this corporation?—A. No.

Q. Is it a nonprofit corporation?—A. It is.

Q. You know how much cash they have on hand at the present time?—A. According to the bank statement it is seven thousand and something.

Q. They have a board of directors?—A. Yes, they call them the board of trustees.

Q. Who are the members of the board of trustees?—A. At the present we have Jack Baynes and Frank Olivet.

Q. What business are they engaged in?—A. Both juke boxes.

Q. Operators?—A. Yes.

Q. Just the two?—A. They have temporary trustees that they choose every three months, to give everyone of the members a chance.

Q. Who are the temporary trustees?—A. Morris Goldman and Nicholas Bellows.

Q. How many members do you have?—A. Approximately 160 now.

Q. 160?—A. Yes.

Q. How do you obtain membership in this association?—A. We don't go out. They find out we have an association and they want to join up, and they come up and make application with us.

Q. They come in and make application?—A. Yes.

Q. Do you know how this corporation came into being, who promoted it, and so forth?—A. No, I really don't know anything about that. I know they had an association before.

Q. Yes.—A. They didn't like the way that was functioning too well, so they took the bylaws from an Ohio association, which had been operating successfully for about nine years.

Q. Do you know where that corporation was?—A. It was in Cleveland, Ohio, the Ohio Phonograph Electric Association, or something like that.

Q. So they reincorporated and adopted the bylaws more or less along the line of that corporation?—A. Yes.

Q. Who put up the original money for this corporation, do you know?—A. I don't know that.

Q. You don't know who really brought it into being?—A. No, I don't.

Q. When you opened up in February 1945, do you know how many members you had at that time?—A. We had 84.

Q. At the present time you think you have from 160 to 165?—A. Yes.

Q. You don't know how much the original 80 members paid to join, do you?—A. Well, they paid their initiation fee; it was \$10, a minimum.

Q. \$10 minimum?—A. Yes; and \$100 maximum, and they paid \$1 for each additional machine. If they had boxes, they paid \$11; 50 boxes paid \$50; and \$100 for 100 boxes.

Q. The minimum was \$10, and the maximum \$100?—A. Yes.

Q. Do you know whether or not the original incorporators paid on that same basis?—A. I am quite sure they did.

Q. All new members they have taken into the association came in on the basis of a \$10 minimum?—A. They was charged, I think, that much until a year ago, when they changed it. Last June. That was changed then to \$50.

Q. And if they had 400, it cost them \$50 plus \$350?—A. That's right. I don't know—now wait a minute—I don't know if that was maximum of \$100 or not. It would state in the minutes.

The COURT. If they had 51 machines, they would pay \$51?

The WITNESS. Yes.

The COURT. Fifty plus one?

The WITNESS. Yes.

By Mr. GARBER:

Q. If they had 25 machines, they would still pay \$50?—A. Yes.

Q. Has anyone who made application been refused?—A. Yes; they have.

Q. In how many instances?—A. I don't think any more than three.

Mr. WATSON. Will you identify those three?

The WITNESS. Joseph Carta was one.

By Mr. GARBER :

Q. Do you recall the others?—A. I am trying to think. Some others came in with one box. I really don't know their names, but we told them to come back when they had more machines.

Q. Did they pay \$50 to come in with just one box?—A. No; we didn't take their application because they had it in their own place of business.

The COURT. Supposing a man had five machines and didn't want to join?

The WITNESS. He wouldn't have to come in.

The COURT. Can he operate his machines?

The WITNESS. Yes.

By Mr. GARBER :

Q. You can become a member if you own your own machine, just one machine, in your beer garden or restaurant?—A. We have more or less a fee of three machines.

Q. You mean that is the minimum?—A. We feel they are operators if they have three machines. If they own their own machine in their own beer garden, it is their own place of business, it is their own machine.

Q. How many people made application where they owned just their own machine?—A. I can't tell you that, really. They haven't made any recently. Joseph Carda was the only one I know. His money was refunded.

Mr. SCHEMANSKE. Do you know of any owners of machines who have them in their own place of business and don't belong to the union, of your own knowledge?

The WITNESS. No; I don't.

Mr. SCHEMANSKE. What happens when an operator gets a machine? Any trouble started?

The WITNESS. What do you mean, operator?

Mr. SCHEMANSKE. I mean owner.

The WITNESS. He has a machine in his own place of business?

Mr. SCHEMANSKE. Yes.

The WITNESS. No.

Mr. SCHEMANSKE. No trouble starts?

The WITNESS. It is his own place of business.

By Mr. GARBER :

Q. Now, what are the dues to belong to the association?—A. 30 cents a machine a month.

Q. And how do you ascertain how many machines the members have?—A. They report them when they come in. We will say, "How many machines do you have?" and we charge them that much. Like they say they have either sold some machines or bought some more, when that happens then we change it. They report to us when there is an increase or decrease in the machines.

Q. After they pay the 30 cents a machine to you, do you furnish them with any kind of a sticker or card of any kind?—A. The union gives us labels each month to give to the members, after they pay their dues.

Q. All right. Are they given to you instead of furnished by the union, if you know?—A. That I don't know, except that they are.

Q. Do you know why?—A. No.

Q. So you furnish these labels that are given you to the different operators?—A. Yes.

Q. And you receive them from whom?—A. The Union Printing Company brings them up to us. They are ordered from the union.

Q. They are made and furnished by the union?—A. Yes.

Q. You don't pay for those?—A. No.

Q. Is it necessary to belong to the association before you can belong to the union?—A. No; we have a closed-shop agreement with the union.

Q. Who negotiated the closed-shop agreement?—A. It was negotiated before I came in. I am not sure, but I think Mr. Brilliant's name is on there, and I don't know who else, Mr. James'.

Q. Do the different operators have a closed-shop agreement, or is this agreement negotiated entirely by the association for all of the operators?—A. We have an agreement, but our different members or companies do belong. I don't know who negotiated it.

Mr. SCHEMANSKE. Where is that agreement?

The WITNESS. It is over in the files.

Mr. SCHEMANSKE. At your office?

The WITNESS. Yes.

The COURT. Will you produce it?

The WITNESS. Yes.

Mr. SCHEMANSKE. Supposing you make a note of it in case we ask you for further things.

By Mr. GARBER:

Q. Do you account to the union whether or not the operators have paid their dues to you?—A. No; I don't.

Q. Do they ever check up with your books?—A. No.

Q. Do you ever check with the union books?—A. No; I just find out whether or not they have paid their union dues.

Q. You find out whether or not they have paid their union dues?—A. Yes.

Q. How often do you find that out?—A. You see, that goes with the union labels. When they pay both the union and the association dues, I give the members their labels.

Q. Just explain how that operates a little bit. I want to get that picture. They send in 30 cents a machine to you.—A. Yes.

Q. Do they pay their union dues directly to the union?—A. Yes.

Q. Then you contact the union; is that right?—A. Yes.

Q. To see whether or not the union dues have been paid?—A. Yes.

Q. Then the union furnishes you with certain labels that are to go on the machines?—A. We get the labels at the end of each month, and the dues are payable on the 1st to the 15th.

Q. In advance?—A. From the 15th of one month to the 15th of the next month.

Q. The dues must be in before the 15th of the month?—A. We give them to the 23rd.

Q. Then you check to see if the dues have been paid by the union?—A. Yes.

Q. That is a monthly check, is it?—A. Yes.

Q. And if you find out that the dues have been paid, then you send them these labels to place on the machines?—A. Yes.

Q. In accordance with the amount of machines they declare?—A. Yes.

Q. And if they haven't paid the union dues, but have paid the association dues, what happens?—A. We hold them until they have paid them.

Q. In other words, there is a close working agreement between the association and the union as the collection of dues?—A. Yes.

Q. Are you acquainted with the union contract?—A. No; I don't believe I have ever read it.

Q. Do you know how much dues they are supposed to pay per machine?—A. To the union.

Q. Yes.—A. I have heard it was 70 cents a machine. I can't say for sure.

The COURT. Is there any doubt in your mind about it?

The WITNESS. Yes, there is, because I don't know how they work it.

Mr. SCHEMANSKE. Have you ever read the minutes of the trustees?

The WITNESS. I write them up.

Mr. SCHEMANSKE. Don't it appear in the minutes?

The WITNESS. For the union?

Mr. SCHEMANSKE. No, no, the association. How much the union dues are.

The WITNESS. No, because that is between the operators and the union.

Mr. SCHEMANSKE. All right.

The COURT. Where are the union dues paid?

The WITNESS. At the union office.

The COURT. The operator pays directly to the union office?

The WITNESS. Yes.

The COURT. His dues?

The WITNESS. Yes.

The COURT. And he pays on the basis of each machine?

The WITNESS. Yes.

The COURT. Your understanding is he pays 70 cents for each machine?

The WITNESS. Yes.

The COURT. Per month?

The WITNESS. That's right.

The COURT. And he pays to the association on each machine to you, through your office, 30 cents?

The WITNESS. Yes.

The COURT. On each machine?

The WITNESS. Yes.

The COURT. So each machine is taxed \$1 per month?

The WITNESS. Yes.

The COURT. To operate?

The WITNESS. Yes.

The COURT. And there is a close relationship between your association and the union, operating association?

The WITNESS. Well, there is a close association—it is a closed-shop agreement; yes.

The COURT. The association is close enough so that the union labels that are to be placed on these machines come directly to your association?

The WITNESS. Yes.

The COURT. And your association does not pay for the printing?

The WITNESS. No.

The COURT. Do the labels come directly from the printer, or do they come by way of the union office?

The WITNESS. Directly from the printer.

The COURT. And you don't pay for them?

The WITNESS. No.

The COURT. And you have a lot of them on hand all the time?

The WITNESS. I get about 5,200 a month.

The COURT. 5,200 a month.

The WITNESS. Yes.

The COURT. Now, when you get your 30 cents for each machine, as far as your association is concerned, the machines can operate?

The WITNESS. Yes.

The COURT. But before you give the go sign to operate you check with the union?

The WITNESS. Yes.

The COURT. To see whether the union dues have been paid?

The WITNESS. Yes.

The COURT. When the union dues have been paid—how do you get that information, over the telephone or by transmission of a letter?

The WITNESS. Over the phone.

The COURT. Who do you talk with?

The WITNESS. The office girl.

The COURT. What is her name?

The WITNESS. They have a girl named Lois Rawlings. She has a leave of absence for three months. She is sick and they got another one in there, and all I know is Virginia.

The COURT. That is the Trumbull Avenue office?

The WITNESS. No, this is in the Francis Palms Building.

The COURT. So, when the operator has paid you 30 cents per machine, and you get in touch with the union office, and the girl there tells you the operator has paid the union dues of 70 cents per machine?

The WITNESS. Yes.

The COURT. Then you give the operator who has so paid, his sticker for each machine he had?

The WITNESS. Yes.

The COURT. If he has 25 machines, you give him 25 stickers?

The WITNESS. Yes.

The COURT. 75 machines, 75 stickers?

The WITNESS. Yes.

The COURT. And they're put on the boxes?

The WITNESS. Yes.

The COURT. And they allow them to operate for another 30 days?

The WITNESS. Well, they can operate even without the stickers, but we like them to have their labels on there.

The COURT. Then he operates without being molested?

The WITNESS. Yes.

The COURT. But can he operate without paying the union dues?

The WITNESS. Sure.

The COURT. Can he operate without paying your dues?

The WITNESS. Yes.

The COURT. Then what is he paying 30 cents to you for, and 70 cents to the union?

The WITNESS. We suspend him for nonpayment of dues, if he doesn't pay.

The COURT. Does his machine still operate?

The WITNESS. Yes.

The COURT. Are you sure of that?



The WITNESS. Yes; we have suspended several for nonpayment of dues and their machine is still operating.

The COURT. Is there another sticker they put on the machine when the dues are not paid?

The WITNESS. No.

Mr. SCHEMANSKE. How are stickers delivered to the individual operators?

The WITNESS. By mail or they come up and get them.

Mr. SCHEMANSKE. Both ways, is that right?

The WITNESS. Yes.

Mr. SCHEMANSKE. At the trustee's meeting, do any of the members of the union appear at the meeting?

The WITNESS. No.

Mr. SCHEMANSKE. At no time?

The WITNESS. It wouldn't be at a meeting they come up. They come up the day when we don't hold meetings.

Mr. SCHEMANSKE. They do come up there to your office?

The WITNESS. Yes.

Mr. SCHEMANSKE. And who is in your office?

The WITNESS. Mr. James has been up there.

Mr. SCHEMANSKE. How long have you been in the Ford Building?

The WITNESS. Since the 15th of January this year.

Mr. SCHEMANSKE. Where had you been before that?

The WITNESS. Maccabees Building.

Mr. SCHEMANSKE. They have been up there too?

The WITNESS. Yes.

Mr. SCHEMANSKE. How many times has Mr. James been there?

The WITNESS. Just a couple of times.

Mr. SCHEMANSKE. But at no time does he attend meetings of the trustees?

The WITNESS. No.

By Mr. GARBER:

Q. I notice in this you have a penalty file.—A. Yes.

Q. How many have you fined?—A. Oh, I couldn't say.

Q. Well, quite a few.—A. Yes.

Q. What for?—A. We have a general meeting, every meeting the second Thursday of each month, and the members decided they weren't getting enough attendance, so they thought they should fine them if they didn't come up. It was a membership decision, they should make a fine of \$5 providing they didn't call and get excused.

Q. What did you fine this one man \$50 for?—A. Which man is that?

Q. One I saw on here. I will find it in a minute.—A. Some reason for it.

Q. That's what I want to know. What was it? Why would he be fined that much?—A. He might have gone to a location that already had a machine there by one of our members. He jumped it. That's what we call it.

Q. So if you belong to the association and you jump another's spot—A. Another member's spot; yes.

Q. —then the association has it within its power to fine them, is that right?—A. No, we ask them to remove the machine.

Q. Supposing he said he didn't want to?—A. That's why he was fined, most likely.

Q. How much was that fine, page 61?—A. Patton Music? We wanted a list of the locations, so we would have the locations on file in case anything came up about those locations at a later date. So we asked them to bring a list of locations by the 10th of May, stating in the letter also there was a motion made before the general body there would be a 50 cents—well, 50 cents a machine per week penalty, anybody who didn't file their locations by the 10th of May.

Mr. WATSON. What was the answer?

By Mr. GARBER:

Q. Yes; what happened?—A. He didn't file his locations by the 10th of May. He came in, I believe, a week and a half later.

Q. What did you do?—A. He was fined 50 cents a machine.

Q. \$42?—A. Yes.

Q. What did the Martin Music Company do in February? What did they do to get fined \$50?

Mr. SCHEMANSKE. What year?

Mr. GARBER. 1946.

The WITNESS. Yes; I believe that will state in the minutes.

By Mr. GARBER:

Q. But he paid a fine of \$50.—A. Yes.

Q. Can you find those here?—A. Yes. A meeting of January 14 complained of Gunn Music Company versus Martin Music Company, testimony of both parties heard, and after consideration of same the board determined the Martin Music Company be fined \$50 for a violation of a code of ethics, and he was requested to remove his machine from the location within 48 hours.

Q. Just what does that mean?—A. Well, evidently Martin Music Company installed a machine in the location of the Gunn Music Company, where they was, and he was fined \$50 for unethical practice and requested to remove the machine.

Q. That is called jumping a spot?—A. Yes.

The COURT. Who places the fine?

The WITNESS. The board of directors.

Mr. SCHEMANSKE. Trustees.

The WITNESS. Yes.

By Mr. GARBER:

Q. Do you know whether or not they could join the union unless you belong to the association?—A. Yes; they could.

Q. How do you do that?—A. I wouldn't know. I know you can join the union, though.

Q. Did you ever hear of filing a bond of \$500 for good conduct?—A. No.

Q. And you can be penalized if you jump a spot the same as happened in this particular instance?—A. No; I don't know about that.

Q. But you either have to belong to the association or post \$500?—A. We have a closed-shop agreement with the union, but the union does not have such an agreement with us.

Q. You're sure of that?—A. That's the way I understand it.

Q. Are you sure it is imperative you have to belong to both your association and the union, and if the union won't accept you, if you don't belong to the association, and your association won't accept them unless they belong to the union?—A. We have a closed-shop agreement with the union.

Q. What do you understand that to mean?—A. Our members also belong to the union; that is, our workers and repairmen.

Q. Everybody connected with the association must be unionized?—A. Yes.

Q. In order to become members of the association?—A. That is not every member. If it is a large company, it is just the collectors and repairmen. If it is a small company, say the operator only has 10 machines, he doesn't have anybody working for him, well, he will become a member of the union also.

Q. Then he will be eligible to become a member of your association?—A. He was a member.

Q. In the beginning?—A. Yes.

Q. But he must be a member of the union in order to be a member of the association, except where it is a large company?—A. Take one company like somebody has 10 or 15 employees.

Q. Marquette, how about that?—A. All right, just his workmen would belong to the association.

Q. Your secretary belongs to the union, too?—A. Does he? I didn't know that. I thought it was for the repairmen and collectors, unless it is a small company.

Q. I see. That's your understanding.—A. That's my understanding.

Q. That isn't quite correct.—A. It isn't?

The COURT. What did you do prior to being engaged by this association?

The WITNESS. Worked at Parke Davis.

The COURT. Parke Davis Company?

The WITNESS. Yes.

The COURT. All right.

By Mr. GARBER:

Q. Supposing I bring in a grievance against one of the members. I am a member of your association. You have a sort of a grievance committee, don't you?—A. Well, the board is the grievance committee.

Q. Is there any appeal from its rulings?—A. You can appeal to the state board, which consists of the president, vice president and secretary and treasurer, and you can call somebody in on the case for a regular grievance committee. You can call two other members in.

Q. On the state board?—A. Yes.

Q. And if they rule against you, you are practically out of business, aren't you?—A. No; you are not out of business. We do it on one location. We don't do it for their whole operation.

Q. Each location has a separate hearing?—A. Yes.

Q. Suppose you buy a Wurlitzer machine, a new one. What happens in that case?—A. You buy a Wurlitzer machine.

Q. The union does not recognize them and allow you to put them in any place, does it?—A. I didn't know that.

Q. And if you are suspended by the union, are you also automatically suspended from the association?—A. I never knew it to happen.

Mr. SCHEMANSKE. Did you sit in the trustee's meetings?

The WITNESS. I used to, but I don't any more.

Mr. SCHEMANSKE. You don't record the minutes of the meetings, do you?

The WITNESS. I did up until after the first of the year. I reported all of them.

Mr. SCHEMANSKE. Why was the change made?

The WITNESS. I don't know. I was busy. We had a convention and banquet, and I didn't sit in that time, and they wrote them down for me, and I wrote them up later.

Mr. SCHEMANSKE. When your banquet had been taken care of, you didn't go back in?

The WITNESS. No; I haven't.

By Mr. GARBER:

Q. What salaries do you have for the association?—A. We have Mr. Hall, who is an investigator.

Q. What does he get?—A. \$70 a week and \$15 carfare.

Q. What does he investigate?—A. If a member is having trouble over a location, the machine doesn't work right, Mr. Hall goes out and finds whose machine it is. Say, in a Polish location, they like Polish records, and he will get the operator to buy Polish records and put in the place, to keep the location owner satisfied. They might see a new machine down the street and they would like to have a new one, and he will go in and talk to them and say they will get a new machine as soon as their spot warrants a new machine. He is more or less a publicity man, public relations.

Q. His salary is what?—A. \$70 a week and \$15 car expense.

Q. \$70 a week and \$15 a week what?—A. Car expense.

Q. Your office rent is what?—A. \$125, and the electricity runs it around \$132.

Q. What other employees do you have?—A. Myself. I get \$50 a week.

Q. Who else?—A. We have a girl, we have had her for the summer, who gets \$30 a week.

Q. And telephones?—A. Telephones.

Q. What other expenses do you have?—A. Our retainer fee for Mr. LoCicero.

Q. That is \$200 a month?—A. Yes.

Mr. WATSON. What fee is that?

The WITNESS. \$200 a month for attorney.

Mr. WATSON. Who is he?

Mr. GARBER. LoCicero.

Mr. WATSON. What does he do?

The WITNESS. He looks over the minutes, he attends our monthly meetings.

Mr. WATSON. How many? You have one monthly meeting, one a month?

The WITNESS. Yes.

By Mr. GARBER:

Q. What else?—A. Any problems the operators might have. He takes care of those things.

Q. Well, the official problems that have to do with the association?—A. Yes.

Q. There couldn't be many of those, could there?—A. There was in the beginning when we got started.

The COURT. What do you do with the money that isn't spent?

The WITNESS. It is still kept in the bank, and we have been doing a little bit of charity work, like giving juke boxes to Percy Jones Hospital, and little things like that.

The COURT. I think you testified that it is a non-profit-sharing corporation?

The WITNESS. Yes.

The COURT. Where does the profit go?

The WITNESS. Well, we haven't spent any of the profit.

The COURT. Piling up in the bank?

The WITNESS. There isn't very much in there.

Mr. WATSON. What is your present balance?

The WITNESS. About seven thousand.

By Mr. GARBER:

Q. What is your present income at this time?—A. I think about \$2,000 a month.

Q. And how much do you spend monthly? What are your monthly expenses?—A. I never figured it out.

The COURT. The corporation pay an income tax?

The WITNESS. I don't believe so.

The COURT. How did they get away with that?

The WITNESS. I don't know. Our CPA took charge of that.

The COURT. Who is he?

The WITNESS. Thomas A. Kenworthy.

The COURT. Where is he located?

The WITNESS. In the Majestic Building.

The COURT. You have only had a chance to file one income tax so far?

The WITNESS. Yes.

By Mr. GARBER:

Q. You have an income of about \$2,000 a month?—A. About that now.

Q. And your expenses are, so far as you know, what you have reported here; that is, how much for the rent?—A. \$125, plus electricity.

Q. How much are they a month?—A. About \$132.

Q. And \$200 to your attorney?—A. Yes.

Q. That is \$332?—A. Yes.

Q. Plus approximately \$100 to Mr. Hall; is that right?—A. He gets more than that. He makes \$70 a week plus \$15 car expense.

Mr. WATSON. Do you take off a profit and loss statement?

The WITNESS. There is a profit and loss account in there, I believe.

Mr. WATSON. Do you have any operating statement at all, balance sheets?

The WITNESS. No; they are in there.

Mr. WATSON. Where?

The WITNESS. In the office.

Mr. WATSON. Will you add that to the list?

The WITNESS. Yes; then we also have a meeting room we reserve at the Maccabees Building, which has been \$12.50 a month, and now it is going to be \$17.50 a month.

By Mr. GARBER:

Q. You have more or less a net profit of somewhere in the neighborhood of about \$1,200 a month, don't you, after all your expenses have been deducted?—A. I really couldn't say.

Q. Supposing you figure it out.—A. If I figure it out that way, \$12,000 a month.

Q. No; about \$1,200.—A. Oh, yes; \$1,200.

Q. \$2,000 income less your expenses of about \$800 a month.—A. We have furnished our office since we went to the Ford Building.

The COURT. Where is your office?

The WITNESS. 712.

The COURT. On the Griswold side?

The WITNESS. On Griswold.

The COURT. How many offices do you have?

The WITNESS. One small office and one about this size. It is on the corner, like this would be.

The COURT. Is it on the corner toward the Dime Bank, or on the corner toward the Buhl Building?

The WITNESS. Toward the Dime Bank; we are right next to the Penobscot Building, and the front is on Griswold.

The COURT. Do you have any name on the door?

The WITNESS. Yes.

The COURT. What does it say?

The WITNESS. Michigan Automatic Phonograph Association.

The COURT. As I understand you, if a man wanted to buy a number of those machines and was able to contact people that had locations for him, that he could put those machines in those locations, conduct his business without interference from the association or the union?

The WITNESS. To my knowledge.

The COURT. And save himself a dollar a month on each machine?

The WITNESS. Yes.

The COURT. Is that right?

The WITNESS. Yes.

The COURT. Do you know of any such operator?

The WITNESS. Who does that?

The COURT. Yes.

The WITNESS. No; because I don't go in the places that have juke boxes. I guess if I went around, I could find some who don't belong to us.

Mr. SCHEMANSKE. How are they serviced?

The WITNESS. They could service them themselves or have somebody else do it.

Mr. SCHEMANSKE. Have you heard of a case where a machine was put in, and a picket line was put in front of the place because they are against organized labor?

The WITNESS. I have never seen any of them. I have heard about it.

Mr. WATSON. You say you have heard about it?

The WITNESS. Yes.

Mr. SCHEMANSKE. Weren't they discussed at the trustees' meetings.

The WITNESS. Never, to my knowledge.

Mr. SCHEMANSKE. Incidentally, while we are on that, I think you testified you couldn't remember anybody filing an application where they have been refused to join the union?

The WITNESS. Yes; one case. Refused to join the union?

Mr. SCHEMANSKE. Where the union refused to accept them or your association?

The WITNESS. Our association, Joseph Carta.

Mr. SCHEMANSKE. How about the recent case of Vincent Meli?

The WITNESS. I don't know about him.

Mr. SCHEMANSKE. Didn't he file an application with your association?

The WITNESS. No.

Mr. SCHEMANSKE. In May 1946.

The WITNESS. No; what company?

Mr. SCHEMANSKE. Vincent Meli?

The WITNESS. No.

Mr. SCHEMANSKE. Of the Melatone Music Company.

The WITNESS. The only thing we fined Sam Cali, who was a member of our association. We later heard he went there with somebody else and started the M. C. Music Company and later called it the Melatone Music. Sam Cali didn't pay his dues, so he was automatically suspended.

Mr. SCHEMANSKE. Did he attempt to pay his back dues?

The WITNESS. No; we never saw Mr. Cali.

Mr. SCHEMANSKE. Now, on this question of an owner, he pays for his own machine, have you heard of cases where an owner has placed his own machine in his own place of business and his place being picketed subsequently?

The WITNESS. No; I haven't.

Mr. SCHEMANSKE. Have any of those problems been discussed at the trustees' meetings?

The WITNESS. Not before me.

Mr. SCHEMANSKE. Not before you?

The WITNESS. No.

Mr. SCHEMANSKE. All members of your association are operators, is that right?

The WITNESS. Yes.

Mr. SCHEMANSKE. And you say the meetings are held once a month.

The WITNESS. The general meeting.

Mr. SCHEMANSKE. And how many meetings do the trustees hold?

The WITNESS. The trustees hold a meeting every Monday.

Mr. SCHEMANSKE. Of each week?

The WITNESS. Yes.

Mr. SCHEMANSKE. And if there is a grievance against an operator in what fashion is the grievance taken care of?

The WITNESS. Well, whoever has a grievance against the operator will file a written complaint.

Mr. SCHEMANSKE. In writing?

The WITNESS. Yes.

Mr. SCHEMANSKE. Is a copy of the grievance sent to the operator?

The WITNESS. We notify him so and so has made a grievance at such and such an address, will he kindly appear before the board.

Mr. SCHEMANSKE. That's in writing?

The WITNESS. Yes.

Mr. SCHEMANSKE. Who hears the complaint?

The WITNESS. The board of trustees.

Mr. SCHEMANSKE. That consists of how many?

The WITNESS. Secretary-treasurer, vice president, and president, two trustees and two temporary trustees.

Mr. SCHEMANSKE. Does your attorney appear in all grievance hearings?

The WITNESS. No; he hasn't appeared in any of them.

Mr. SCHEMANSKE. After hearing a complaint, is the final disposition placed in the minutes of the meeting?

The WITNESS. Yes.

Mr. SCHEMANSKE. In each and every grievance?

The WITNESS. Yes.

Mr. SCHEMANSKE. You have a separate file of grievances that have been placed against operators in your office, where they have been settled?

The WITNESS. We have a file, and they are filed back into the file, whoever won the case, you might say.

Mr. SCHEMANSKE. Is the testimony recorded at the time of the hearing?

The WITNESS. Well, just what is in the minutes, that's all.

Mr. SCHEMANSKE. Are there any write-ups or synopses of the testimony placed in those files for future reference?

The WITNESS. No.

Mr. SCHEMANSKE. How would you be able to tell, if you wanted to refer to a previous complaint against an operator?

The WITNESS. The only thing we have is the minute book.

Mr. SCHEMANSKE. Just the minute book.

The WITNESS. Yes. We also have a complaint sheet Mr. Hall files after he has investigated the location.

Mr. SCHEMANSKE. You have an operator's file on those?

The WITNESS. That goes into the member's file, who retained the location.

Mr. SCHEMANSKE. In other words, you have a history of a member from the time he joins the organization?

The WITNESS. A history of any location he has trouble with.

Mr. SCHEMANSKE. Well, assuming a member joins the organization and there is a grievance filed, wouldn't that grievance appear in his file?

The WITNESS. Oh, yes.

Mr. SCHEMANSKE. For future reference?

The WITNESS. Yes.

Mr. SCHEMANSKE. And a copy of the minutes of the meeting also appear as a part of that record?

The WITNESS. If he puts a grievance in there, it appears in the minutes, yes.

Mr. SCHEMANSKE. In other words, what I am trying to find out is whether or not the operator's file will show all of his activities from the time he joins the association?

The WITNESS. Yes.

Mr. SCHEMANSKE. That's correct?

The WITNESS. Yes.

Mr. SCHEMANSKE. All right.

The COURT. The fees of the association, the charges against the operator, are not against the operator as such, but are based on the number of machines the operator has operating?

The WITNESS. His dues; yes.

The COURT. His dues are based on that?

The WITNESS. Yes.

The COURT. So, one man may pay \$50 a month, another man may pay \$25 a month, and a third may pay \$100 a month?

The WITNESS. Yes.

The COURT. Now, do you know whether the union is basing the union dues or tribute, as you might call it, upon the same basis?

The WITNESS. I believe they are.

The COURT. In other words, the man has five employees working for him.

The WITNESS. Yes.

The COURT. They want to join the union?

The WITNESS. Yes.

THE COURT. The union charges a certain set figure for that individual's union dues?

THE WITNESS. I don't know about that. You see, they are in our association, as a company, and the union, I believe, they are in as individuals. I don't know how they work that.

THE COURT. Where do you get this information that the union is charging 70 cents per machine per month?

THE WITNESS. That is on the operators, that don't have anybody working for them, just themselves alone.

THE COURT. Supposing a man owned 200 machines?

THE WITNESS. Yes.

THE COURT. And had ten men working for him operating those machines?

THE WITNESS. Yes.

THE COURT. Do you know how the union would charge him?

THE WITNESS. No; I don't.

THE COURT. Whether they would charge him for having 10 employees, or charge him against each machine?

THE WITNESS. No; I don't know that.

THE COURT. Who would know that?

THE WITNESS. The union.

MR. SCHEMANSKE. Don't you know they charge \$7.50 and \$15 a month from the employees, and also 70 cents a machine from the operator?

THE WITNESS. No.

MR. SCHEMANSKE. Is that news to you?

THE WITNESS. I didn't know that. All I know they figure on the basis of 70 cents a machine. I don't know how else.

MR. SCHEMANSKE. You don't know about the operator's dues being paid by the employees?

THE WITNESS. No.

THE COURT. Was your procedure in this organization, so far as you know, ever challenged up to this time?

THE WITNESS. No; not to my knowledge.

THE COURT. From your understanding, do you think a man, the way it is run right now, could own 50 machines and have 5 employees, and then go ahead and pay the union dues for 5 employees, and carry on that business unmolested by the union without paying any money, and not be molested by your association at all?

THE WITNESS. Wait a minute. I am not sure I understand that.

THE COURT. This will be off the record.

(Discussion off the record.)

THE COURT. All right, on the record.

By MR. GARBER:

Q. Can you explain to the court what more advantage that the Marquette Music Company, who pays \$139.20 a month to your outfit would get over the Harbeck Music Company that pays only \$14.30 a month?—A. No more advantage.

Q. In other words, the benefits are the same regardless of what you pay?—A. Yes.

Q. So that the Marquette does not get a thing, have any more advantage, because of the more money he pays?—A. No.

Q. Supposing Marquette, for example, paying you that amount of money, forgets to send in his dues this month. Wouldn't you notify the union?—A. No.

Q. What would you do?—A. Send them a registered letter on the 18th of the month, telling them if its dues weren't paid by the 23rd of the month, they would be suspended.

THE COURT. Supposing he said "Oh, forget about it."

THE WITNESS. We would send them another letter on the 24th, telling them that they were suspended.

THE COURT. Then what happens?

THE WITNESS. Nothing.

By MR. GARBER:

Q. They haven't any figures?—A. No.

Q. They couldn't get them serviced, could they?—A. They have their own service man.

Q. Then, what advantage is there in belonging to this association?—A. Just so the members get together and build better business up.

Q. You mean Marquette gets \$139 a month worth of good will, and the other fellow gets the same amount of good will for \$14.30?—A. Yes; it is based on the number of machines.

Q. What is the basis of that?—A. It is fair to the little operators.

Q. You don't know how you accumulated this money you have of \$7,000? What advantages are any of these members receiving from this money?—A. What are they receiving?

Q. Yes.—A. I really don't know.

Q. What are they getting for this \$2,000 a month coming into the corporation every month? What do they get for it?—A. The only thing we did was give a banquet in March.

The COURT. The men these operators have working for them, you don't pay them?

The WITNESS. No.

The COURT. The association don't pay their wages?

The WITNESS. No.

The COURT. The association pays you?

The WITNESS. Yes.

The COURT. The association don't service these machines?

The WITNESS. No.

The COURT. Repairs, merchandise, profit and loss goes in there?

The WITNESS. Yes.

The COURT. The association has nothing to do with that?

The WITNESS. No.

The COURT. If they make money, that's fine, if they don't that's all right with you?

The WITNESS. Yes.

The COURT. You don't know much about the union?

The WITNESS. No.

The COURT. Now, you have been operating how long?

Mr. SCHEMANSKE. A year and eight months.

The WITNESS. Since February 1945. That's how long, a year and a half?

The COURT. There is \$70,000 in the bank account now.

Mr. GARBER. Seven thousand, your Honor.

The WITNESS. Seven thousand.

The COURT. And you are really only started. Supposing you kept on, keep on going, and as the years roll by, three, four, or five, you have \$50,000 in the banks, what becomes of it?

The WITNESS. I don't know.

The COURT. When that snowball keeps rolling down that hill and gets to be a big size, what becomes of the money?

The WITNESS. I don't know.

Mr. SCHEMANSKE. You referred to the fact the association puts on a banquet?

The WITNESS. Yes.

Mr. SCHEMANSKE. Does the association pay for it out of the general fund?

The WITNESS. Well, we have a banquet, as I say, every year.

Mr. WATSON. You sell tickets to it, though, don't you?

The WITNESS. Yes; we sold the tickets for \$5, and it cost us \$6.08 a plate.

Mr. WATSON. Where did you have the banquet?

The WITNESS. At the Latin Quarter.

Mr. WATSON. What is this disbursement to the Mid-Town Cafe of \$4,942?

The WITNESS. That's the Latin Quarter, and that was what it cost, with the balance of the people we had there, it figured \$6.08 a plate.

Mr. GARBER. And they had already paid \$5?

The WITNESS. They had paid \$5, and we had a lot of guests.

Mr. WATSON. How many people attended this banquet?

The WITNESS. Around 900.

Mr. WATSON. All of the owners of the spots where you have these boxes?

The WITNESS. Not all of them. They were all notified we were having a banquet, and told to make their reservations. Most of them did come.

Mr. WATSON. The Mid-town Cafe is the Latin Quarter?

The WITNESS. Yes.

Mr. WATSON. You gave them two checks on the same date?

The WITNESS. Yes.

Mr. WATSON. One for \$4,942?

The WITNESS. Yes.

Mr. WATSON. And the other was \$258.13.



The WITNESS. We had some boys from Percy Jones Hospital, and they drank that in the bar room before it started.

Mr. WATSON. Wasn't anything wrong with their thirst, was there?

Mr. GARBER. Their capacity.

Mr. WATSON. If you had 900 people, it only cost the association \$1.06 for those 900?

The WITNESS. Yes.

Mr. GARBER. So you are getting rid of all this accumulation of money by giving banquets?

The WITNESS. We didn't want to make anything. We wanted them to have a good time.

The COURT. You mean having a good time spending their own money?

The WITNESS. Yes; isn't that all right?

The COURT. Certainly.

Mr. WATSON. It probably goes hand in hand with the operation of a nonprofit corporation. What the Judge wants to know is what you do with the profit?

The WITNESS. So far, we haven't done anything. We have given a juke box to the Percy Jones Hospital.

Mr. SCHEMANSKE. How many juke boxes did you give away?

The WITNESS. One.

Mr. WATSON. Who donated that?

The WITNESS. The association gave that.

Mr. WATSON. Didn't one of the members give it?

The WITNESS. We bought it from one of the members.

Mr. WATSON. For how much?

The WITNESS. I really don't know. Mr. Frank Alluvot was the one.

The COURT. Approximately how much?

Mr. WATSON. Four or five hundred?

The WITNESS. I couldn't say.

Mr. WATSON. Brand new they are less than \$1,000.

The WITNESS. This wasn't brand new. It was a remodeled machine. It didn't have the nickel slot in it, it was a free play. I don't know how much they paid, but I think around \$350.

Mr. WATSON. So that isn't much of a dent in your accumulation?

The WITNESS. No.

Mr. GARBER. That must be right now at least \$1,000 a month profit on the take.

Mr. WATSON. Yes.

Mr. GARBER. At least.

Mr. SCHEMANSKE. Do you know of any other donations besides the juke box they have made?

The WITNESS. Well, they are in there, just little things like \$5.

Mr. SCHEMANSKE. No large amounts?

The WITNESS. No.

Mr. SCHEMANSKE. To the Goodfellows, for instance?

The WITNESS. Detroit Policemen's Field Day they gave \$50 and gave the tickets to some orphanage.

Mr. SCHEMANSKE. You bought \$50 worth of tickets and donated them?

The WITNESS. Yes; to St. Francis Orphanage.

Mr. SCHEMANSKE. But no large amounts?

The WITNESS. No.

Mr. SCHEMANSKE. Like \$500 or \$1,000?

The WITNESS. No.

Mr. SCHEMANSKE. Do you purchase any ads in these labor papers?

The WITNESS. Well, we have. We had an ad the last year and this year too, in the Detroit Labor News, and one at the Table Top.

Mr. SCHEMANSKE. That amounts to about twenty-five or fifty dollars.

The WITNESS. No, more than that, because it was \$165 just this month for the Detroit Labor News.

Mr. SCHEMANSKE. Is that a weekly ad?

The WITNESS. No, once a week.

Mr. SCHEMANSKE. You have any ads—what is that Log?

Mr. GARBER. Motor Log?

The WITNESS. I don't know. We did give one to Dodge Local Number 3. That was \$45.

Mr. GARBER. Dodge Local?

The WITNESS. Yes.

Mr. SCHEMANSKE. That wouldn't be it.

By MR. GARRER :

Q. Has anybody been bought any present?—A. No.

Q. Did you ever buy any for Mr. James?—A. No.

Q. Ever make any contribution to Mr. Hoffa and Mr. Brennan?—A. No.

Q. Do you know anything about \$6,000 raised as a present for Mr. Hoffa and Mr. Brennan?—A. No.

Q. You know who they are?—A. Yes.

Q. Did you ever hear anything about a fund that was raised here not so long ago of \$6,000 among the operators?—A. No.

Q. None of those funds have been given to your secretary in any way, by just simply to cash or anything like that?—A. No.

Q. Who writes the checks?—A. I do.

The COURT. When this money comes in, who handles it?

The WITNESS. I do.

The COURT. Where is your bank?

The WITNESS. Industrial National Bank.

The COURT. Is it a savings or checking account?

The WITNESS. Checking account.

The COURT. Only one account?

The WITNESS. No, we have two, one for the chapter.

The COURT. There are funds coming in from the State?

The WITNESS. We give one-third of our dues we collect. We collect 30 cents and 10 cents that goes to the state account, for each machine.

The COURT. And there are only two chapters?

The WITNESS. Yes.

The COURT. And the other chapter does likewise?

The WITNESS. Yes.

The COURT. Who collects the money from the other chapter?

The WITNESS. They are supposed to send it to us, but they haven't for quite a while. They have a secretary-treasurer and officers just like we do.

The COURT. They are located in Muskegon?

The WITNESS. Yes.

The COURT. You have two accounts, one in the Industrial National Bank?

The WITNESS. They are both there.

The COURT. One is called what?

The WITNESS. Michigan Automatic Phonograph Owners Association, Incorporated.

The COURT. I mean—

The WITNESS. That is the state account.

The COURT. And for the chapter?

The WITNESS. It just has Chapter No. 1.

The COURT. The same title, but Chapter No. 1.

The WITNESS. Yes.

The COURT. When you are drawing checks, which union do you draw against?

The WITNESS. I usually draw against the chapter unless there is something that the members in Muskegon can use also, then it is against the state.

The COURT. Well, that isn't quite clear.

The WITNESS. Well, now, we have—

The COURT. Your salary, LoCicero's retainer, the rent and overhead comes out of what account?

The WITNESS. I beg your pardon?

The COURT. Your salary, what you pay the attorney, the rent, and overhead comes out of what account.

The WITNESS. The chapter.

The COURT. The chapter account?

The WITNESS. Yes.

The COURT. And all the money that comes in is banked in that same bank?

The WITNESS. That's right.

The COURT. But the funds are divided?

The WITNESS. Yes.

The COURT. One goes into the state account and one goes to the chapter no. 1 account?

The WITNESS. Ten cents of the dues, one-third goes into the state, and we retain two-thirds in the chapter.

The COURT. And they are both checking accounts?

The WITNESS. Yes.

The COURT. You have banking books showing deposits?

The WITNESS. Yes.

The COURT. Since you are there?

The WITNESS. Yes.

The COURT. And you have cancelled vouchers showing checks that were drawn against the two separate accounts.

The WITNESS. Yes.

The COURT. Now, do you ever receive money that is not put in the bank account?

The WITNESS. No, we don't.

The COURT. So that all the moneys that come into the corporation ought to be reflected in these deposits of both accounts?

The WITNESS. Yes.

The COURT. And withdrawals from the account ought to be reflected by cancelled vouchers?

The WITNESS. Yes.

The COURT. No cash withdrawals?

The WITNESS. Just for our petty cash and that is recorded.

Mr. GARBER. Who signs those checks?

The WITNESS. The president and secretary-treasurer.

Mr. GARBER. Where are those checks?

The WITNESS. At the office.

The COURT. And the bank book?

The WITNESS. At the office.

Mr. GARBER. We had better bring those over.

Mr. SCHEMANSKE. We will send for those.

Mr. GARBER. Yes.

Mr. SCHEMANSKE. Any of the 30 cents you contributed to the state officers for their salaries?

The WITNESS. No.

Mr. SCHEMANSKE. No moneys of the chapter here are contributed to the state organization?

The WITNESS. To the state organization?

Mr. SCHEMANSKI. Yes.

The WITNESS. Ten cents of the thirty cents is put into the state account.

Mr. SCHEMANSKE. But none of that money is used for their salary or anything like that?

The WITNESS. No.

The COURT. Chapter 2 is in Muskegon?

The WITNESS. Yes.

The COURT. They carry on an individual operation and one-third of what they take in ought to be remitted to your office?

The WITNESS. Yes.

The COURT. And banked in your state account?

The WITNESS. Yes.

The COURT. With one-third of your receipts?

The WITNESS. Yes.

The COURT. And I take it your Chapter 1 was organized about the same time as Muskegon?

The WITNESS. No; ours came into effect the same time the state association came into effect.

The COURT. When did Chapter 2 come into effect?

The WITNESS. November 1945, I think.

The COURT. You were organized when?

The WITNESS. February or the latter part of January.

The COURT. Who is the attorney for Chapter 2, if you know?

The WITNESS. I don't know if they have an attorney.

The COURT. Then if they have no attorney the general counsel for the two chapters is LocCicero?

The WITNESS. Yes.

Mr. SCHEMANSKE. All of the money deposited in the state funds are kept intact?

The WITNESS. Yes.

Mr. SCHEMANSKE. No withdrawals from that particular account?

The WITNESS. Yes.

Mr. SCHEMANSKE. For what purpose?

The WITNESS. The banquet, whatever we draw on the banquet was for the state account.

Mr. SCHEMANSKE. That's the state account?

The WITNESS. Yes.

The COURT. What is the balance of the state account now?

The WITNESS. I really don't know.

The COURT. What is the approximate balance?

The WITNESS. About \$2,000.

The COURT. That would be over the \$7,000 you have in the other account?

The WITNESS. Yes.

The COURT. So you really have \$9,000 on deposit?

The WITNESS. Yes.

The COURT. Approximately?

The WITNESS. Approximately.

The COURT. Might be less or might be a little more.

The WITNESS. Yes.

Mr. SCHEMANSKE. What other withdrawals could there be from the state account?

The WITNESS. We are putting out a little newspaper the first of each month and whatever that costs we charge that to the state also.

Mr. SCHEMANSKE. Mark down there, please; also give us your cancelled vouchers of the state account, please.

The WITNESS. State and Chapter.

Mr. SCHEMANSKE. That is all I have, Ralph.

Mr. GARBER. I am a little slow here. I am not as fast as these Irishmen.

Mr. SCHEMANSKE. Don't put me in that Irishmen class, not with my name.

By Mr. GARBER:

Q. The original corporation was the Michigan Automatic Phonograph Association?—A. Phonograph Owners Association.

Q. That is the corporation incorporated about January 15, 1945?—A. Yes.

Q. Then, as a sort of a subhead in that corporation—A. Yes.

Q. —you have Chapter 1.—A. The local chapter?

Q. Yes. And they pay dues and that includes all of this area here, Wayne County, the city of Detroit, part of Macomb, Monroe?—A. Yes.

Q. And you have another subhead?—A. Yes.

Q. Chapter Number 2 up at Muskegon?—A. Yes.

Q. And they have the same set-up up there?—A. Yes.

Q. And they pay so much a machine?—A. Yes.

Q. Each one of those chapters at the present time you just stated, contributed one-third of the money that they receive into the state account?—A. Yes.

Q. And the individual chapters are supposed to maintain their individual expenses out of the two-thirds?—A. Yes.

Q. Except, when it involves something that covers both chapters, or the whole area, then you take the money out of the state account?—A. Yes.

The COURT. And the banquet was one of those things?

The WITNESS. Yes.

The COURT. When you started on the campaign to give the banquet, of course, that took some money for announcements, printing, and probably some travel that comes out of the state account?

The WITNESS. Yes, state.

The COURT. And I suppose the members of Chapter 2 in Muskegon were also invitees to the banquet?

The WITNESS. Yes.

The COURT. As I understand it, all members that went bought tickets and paid for the tickets \$5?

The WITNESS. Yes.

The COURT. But the actual cost of the banquet per plate was a little over six.

The WITNESS. Yes.

The COURT. Six what?

The WITNESS. \$6.08.

The COURT. So, this banquet, so far as the plate was concerned, the banquet set the association back \$1.08 per plate?

The WITNESS. Yes.

The COURT. And then there were incidental expenses that the state fund was charged with?

The WITNESS. Yes.

The COURT. How many banquets did you put on?

The WITNESS. We have just had one.

The COURT. At the Latin Quarter?

The WITNESS. Yes, the end of the first year.

The COURT. I think you will have to survey the territory the next time, if there is one?

The WITNESS. Yes.

The COURT. Because the Latin Quarter had a sudden demise, heart attack or something.

By Mr. GARBER:

Q. Can you show me in the books where the 900 that paid, bought these tickets, or 800, whatever it was, where the \$4,000 or \$4,500 was deposited to the state account for the sale of the tickets? Can you show me in the books where that money was added in?—A. I believe so. That is where the difference was received from Chapter Number two, there.

Q. In other words, this is the \$4,141.85, what you received from the sale of tickets?—A. Yes.

Q. Subsequently deposited in the state account?—A. Yes.

Q. Then you checked out of the state account these moneys back here that we had?—A. Yes.

Q. You checked out \$4,942?—A. Yes; plus \$50—\$500 we had given them previously.

Q. So it cost you the difference between that amount, that \$4,100 and this \$4,900, and this \$500?—A. Yes.

Q. So that is what it depleted the funds of the state account to have a banquet.—A. Yes, and somebody to manage the affair cost \$500.

Q. A master of ceremonies?—A. No; he told us how to go about putting on a banquet.

Q. Who was that, Mr. Hoffa?—A. No; Samuel Abrams.

Q. You paid Samuel Abrams \$575?—A. No, he is from Cleveland. He is in charge of the Ohio Advertising Agency and he had been in charge of anything the Ohio Association had, and he was coming here to manage our banquet.

The COURT. Do you know how you contacted the association in Ohio, who discovered them down there?

The WITNESS. No.

By Mr. GARBER:

Q. How did you happen to send for him?—A. They had been to one of the banquets of the Ohio association and they liked it a lot.

Q. Why would you send for an out-of-town man to have a banquet here in one of our local night clubs?—A. Because he knew who he could put on.

Q. Did you have a lot of outside actors and actresses?—A. Whoever we had came in free. We had Vaughn Monroe, Duke Ellington, Ted Weems.

Q. He had them come in for nothing?—A. Yes.

The COURT. Get any talent from the Bowery?

The WITNESS. I don't think so.

By Mr. GARBER:

Q. So your main expense for that banquet was what?—A. Printing that had to be done, and flowers we had to have.

The COURT. Who furnished the flowers?

The WITNESS. State Flower Shop.

The COURT. Where is that located?

The WITNESS. I really don't know.

By Mr. GARBER:

Q. How much did you pay them?—A. \$162.23.

Q. That is really the only item of expense, that is, this party you have had, to amount to anything?—A. The printing. We had our yearbooks printed up, and that was quite a bit. At the Book-Cadillac we had a luncheon in the afternoon, where they had a business meeting.

Q. \$430.86?—A. Yes.

Mr. SCHEMANSKE. Did you have a national organization?

The WITNESS. No; just state.

Mr. SCHEMANSKE. Is there a national organization?

The WITNESS. Not to my knowledge.

Mr. SCHEMANSKE. How many other states have the same set-up?

THE WITNESS. I don't know. They have exactly the same set-up in Cleveland. Mr. SCHEMANSKE. Cleveland is the only one you know?

THE WITNESS. Yes.

Mr. SCHEMANSKE. New York doesn't have one?

THE WITNESS. They might have an association.

Mr. SCHEMANSKE. You have never heard of it?

THE WITNESS. Los Angeles, California, has one.

THE COURT. Have you the entry in there you paid the State Florists?

Mr. GARBER. State Flower Shop, \$162.23.

THE COURT. What address?

Mr. GARRETT. It don't give the address; the amount is \$162.23.

By Mr. GARBER:

Q. What is this Ohio Advertising Agency?—A. That's Sam Abrams.

Q. He got five hundred and what?—A. It was set for \$500 for his—to take care of the banquet for us, and I guess some of his traveling expenses are in there, and he had some printing done for us in Cleveland, like the stationery we used for the banquet.

THE COURT. The State Flower Shop is at 212 State Street.

By Mr. GARBER:

Q. Why did you pay LoCicero \$400 in the month of March 1945; do you know?—A. Not unless they didn't pay him in February.

THE COURT. Any moneys that are paid by the members of the association is based purely on the unit basis?

THE WITNESS. Yes.

THE COURT. Other than the initiation fee?

THE WITNESS. Yes.

THE COURT. So that, as I get it from you, the main initiation fee at one time was \$10?

THE WITNESS. Yes.

THE COURT. That was the minimum?

THE WITNESS. Yes.

THE COURT. And the maximum was \$100?

THE WITNESS. Yes.

THE COURT. And, even though the person had a large number of machines, he wouldn't pay over \$100?

THE WITNESS. That's right.

THE COURT. And if he had a very few machines, he would have to pay at least \$10?

THE WITNESS. Yes.

THE COURT. And after that he pays at the rate of 30 cents?

THE WITNESS. 30 cents.

THE COURT. Thirty cents per month for each machine.

THE WITNESS. Yes.

THE COURT. So a man or woman that pays or belongs to the association now pays \$50 initiation fee plus 30 cents a machine per month he or she may operate?

THE WITNESS. Yes.

By Mr. GARBER:

Q. What is this Michigan Automatic Phonograph Owners Association \$1,297.90; what are you spending that for?—A. We are giving that to the State account.

Q. That's where you turned your money over?—A. Yes.

Q. What are these items amounting to about \$3,000?—A. I just break them down from these accounts.

THE COURT. What did you do when you worked at Parke Davis?

THE WITNESS. Secretary to the assistant credit manager.

THE COURT. That's where you got your knowledge of bookkeeping?

THE WITNESS. No; I got that in school.

THE COURT. Where?

THE WITNESS. East Commerce.

THE COURT. Where is that located?

THE WITNESS. On Burns and Sylvester.

THE COURT. What do they call it?

THE WITNESS. East Commerce High School.

THE COURT. Is it a public school?

THE WITNESS. Yes.

The COURT. Or private school?

The WITNESS. Public.

Mr. GARBER. Do you hold any bonds over there for a person's good behavior?

The WITNESS. No.

Mr. GARBER. You set up your code of ethics, and you can find them; is that in the bylaws?

The WITNESS. Yes; it is in that book right there.

Mr. GARBER. In this book?

The WITNESS. In this brown one.

Mr. GARBER. All right, your Honor, until we get the other books, I think that's all I have.

The COURT. All right.

(Witness excused.)

*4:10 p. m.*

WILLIAM A. HALL, being by the Court first duly sworn, was examined and testified as follows:

The COURT. What is your name?

The WITNESS. William A. Hall.

The COURT. Where do you live?

The WITNESS. 652 Highland Avenue, Wyandotte.

Examination by Mr. GARBER:

Q. Your name is William A. Hall?—A. Yes.

Q. And you live where again, please?—A. 652 Highland Avenue, Wyandotte.

Q. You are employed by whom?—A. Michigan Automatic Phonograph Owners Association, Inc.

Q. Located at 712 Ford Building?—A. Yes.

Q. In the city of Detroit?—A. Yes.

Q. How long have you been so employed?—A. I have been there since—a year the 11th of this last June. That a year, and July and August—about a year and three months.

Q. In what capacity are you employed?—A. I am the field representative.

Q. What are your duties?—A. Well, what I do when a location moves their machine out—when an operator moves his machine out of a location, I go down to this location and talk to the owner of the location, to see if I could get the machine put back in again. I work strictly on a service basis. I find out what is wrong, why the fellow took the machine out, why he didn't want it in there.

Q. Supposing when you arrive there, you find another machine in there, what do you do then?—A. I don't go in; there is nothing I can do.

Q. Do you report it to anyone?—A. To the girl in the office.

Q. Then what happens?—A. Well, the operator may go down there. I don't know what happens.

The COURT. What do you think happens?

The WITNESS. Well—

The COURT. What is the—

The WITNESS. Procedure?

The COURT. The procedure or generally the result?

The WITNESS. Well, the fellow might own his own machine. He might buy a machine, and I try to find that out, of course.

By Mr. GARBER:

Q. Supposing he does own his machine, then what?—A. Nothing; can't do anything about it at all.

Q. How many operators own their machines?—A. I don't know.

Q. How often does that happen?—A. When the operator owns a machine?

Q. Yes.—A. Quite often.

The COURT. How many field representatives are there?

The WITNESS. Just myself.

The COURT. So as soon as a machine is moved out, or if there is any information beneficial to your association, you know it.

The WITNESS. Yes.

The COURT. Well, we are not talking about a man that owns a machine, and has it in his own place of business, but we are talking about a man that owns a machine and puts it in some other place of business. You are out in the field, and you find out a machine has been taken out of a spot, what do you do?

The WITNESS. I have a regular report form I make out; when I go out, and get this information, I make out that report saying this machine is being removed,

or the operator wants the machine removed, and when I get out there, if I find the machine has been removed, I make that report rather, and if I am not able to induce the man to put that machine back in again, I make out the report. That's all I do.

Mr. GARBER. Do you report it to the union?

The WITNESS. No; I report it to Mrs. Lund.

The COURT. The young lady that just stepped out?

The WITNESS. Yes; I write my report out and give it to her.

The COURT. What happens to the report?

The WITNESS. It stays right there in the office.

The COURT. Do you have anything further to do with it?

The WITNESS. No.

By Mr. GARBER:

Q. Supposing you find another machine in there? Do you make that report out then, indicate that in your report?—A. Yes.

Q. Supposing he has another member of Chapter 1 of this association?—A. I report that also.

Q. You turn that in as a report?—A. Yes.

Q. Do you ever appear in any of the grievance meetings held by the trustees to testify?—A. I am in the office at times.

Q. Do you go in and testify you went in there and you found a machine had been moved?—A. No; I just turn my report of the location in.

Q. Is that a basis for grievance, if another association member has put one of his machines in there?—A. I wouldn't know how to answer that. They have grievance or courtesies.

Q. What is the distinction?—A. It is a complaint that the operator that has his machine in this spot is heard over the phone. In other words, he calls up over the phone and he says Mr. So-and-So, who has the grievance over here, has a machine in there, and he has asked him to remove it.

Q. Yes.—A. Now, whether that is called a grievance or a courtesy, I have never found out.

The COURT. How long have you been working with this company in the capacity you now are?

The WITNESS. A year and three months.

The COURT. What did you do before that?

The WITNESS. I was a general auditor before that. I lived in Wisconsin.

The COURT. That is, you audited general books?

The WITNESS. Yes.

The COURT. For how long?

The WITNESS. About eight years.

The COURT. You never did the type of work you are doing now before you got that job?

The WITNESS. No. I only took this job because I have two daughters here in town, and I took it because one of them is going to school; in fact, I took it more or less as a temporary job, and I continued to stay there.

The COURT. Who hired you?

The WITNESS. Joe Brilliant. He had an ad in the paper and I answered the ad. I also published a little paper with them, and I brought a copy of it with me, and I spent about half of my time doing this, making that paper up for them, and I brought a copy of that and my card over here.

By Mr. GARBER:

Q. Do you bring in new members?—A. No.

Q. Are you ever sent to places where there is a machine that doesn't belong to the association?—A. No.

Q. Where the operator is not a member of the association?—A. No.

Q. Supposing I put out a couple of machines, and I don't belong to the association, do you drop in and talk to the owner?—A. Yes.

Q. Why?—A. We are always trying to get our operators back in the location they move out of, but it is strictly from the standpoint of service.

Q. You do that to find out whether he is a member or not of your association?—A. I could find that out by looking at the box. They are all identified, are supposed to be.

The COURT. How?

The WITNESS. With their name and address. In the city of Detroit the law is, as I understand it, every jukebox has to be identified with the name and address of the owner.



By Mr. GARBER:

Q. When you find one of those, what do you do?—A. Just indicate it on my report.

Q. Who do you send it to?—A. Mrs. Lund.

Q. When you find a machine and the man is not a member of the association, the owner, you report it into the association?—A. Yes.

Q. Do you also check to see whether or not they have a label on them, or these little cards, good for thirty days?—A. I check for the identification.

Q. Do you check the other?—A. No; not necessarily.

Q. Do you check, when you go into these places, do you check to see if that union label is on the machines?—A. No.

Q. Do you ever collect any dues?—A. No.

Q. Do you report machines that are operating without this label on them?—A. No; I report machines that are not identified.

Q. What do you mean by "not identified."—A. Name and address.

Q. Are you sure you don't report them if they haven't got the union tag?—A. No; I have never been instructed to do that.

The COURT. Did you ever see a machine operating without the union tag outside of on the premises of the owner or operator himself?

The WITNESS. I don't follow you, Judge.

The COURT. Here is a man that owns a machine. He owns the building, he is running a saloon, he puts his own machine in the saloon, pays for the operation, and he is not a member of your association, and not a member of the union.

The WITNESS. Yes.

The COURT. That would be possible, wouldn't it?

The WITNESS. Oh, yes.

The COURT. Supposing he has two machines and he puts one in the neighbor's saloon. He doesn't put his name on it, he doesn't belong to your association, and he doesn't belong to the union. What happens to it as far as you are concerned?

The WITNESS. As far as I am concerned, Sergeant Schwartz has asked me if I would call him whenever there is a machine not identified, and I do that.

Mr. GARBER. That is reported to the Police Department?

The WITNESS. Yes.

The COURT. If you saw a machine that didn't have the union label on it, what would you do with that?

The WITNESS. I wouldn't do anything.

The COURT. Do you know what it cost the operators in fees or tribute to the association per unit for those machines?

The WITNESS. Thirty cents a machine, I think.

The COURT. Per month.

The WITNESS. Yes.

The COURT. How long or how much, rather does the operator pay the union per month?

The WITNESS. You see I don't get into the office, I don't know, but I think he pays them 70 cents.

The COURT. Where did you get that information?

The WITNESS. Well, I just picked it up.

The COURT. It is common knowledge, isn't it?

The WITNESS. Common knowledge, yes. I think the operator pays one dollar a month per machine.

The COURT. You know they do, don't you.

The WITNESS. I know that today.

The COURT. That is 30 cents to the association and 70 cents to the union?

The WITNESS. Yes.

The COURT. And that is regardless of how many employees they have?

The WITNESS. I don't know anything about the employees, Judge. I know they pay that money to the union, and 30 cents to us, but I don't know who belongs to the union; not a thing.

The COURT. In other words, if a man belongs to the association and owns 15 machines, he would pay your association 30 cents per machine.

The WITNESS. Yes.

The COURT. If he doubled it, then he would pay that much more?

The WITNESS. He would pay 30 cents a machine.

The COURT. If he got 15 more machines he would pay 30 cents additional for each machine.

The WITNESS. Yes.

The COURT. That is the same practice the union has, except they charge 70 cents per machine?

The WITNESS. I don't know a thing about the union activities.

The COURT. What becomes of the money that comes into the association, if you know?

The WITNESS. Well, we have a regular bookkeeping system; we keep track of it.

The COURT. You don't have anything to do with that?

The WITNESS. No.

The COURT. You don't handle receipts and disbursements?

The WITNESS. No.

The COURT. What do they pay you?

The WITNESS. \$70 a week and \$15 a week for my automobile.

The COURT. You get \$85 and from that you run your own automobile?

The WITNESS. Yes.

By Mr. GARBER:

Q. Ever see places picketed where they had machines that didn't have the union label on them?—A. I didn't hear you.

Q. Did you ever see any place being picketed?—A. No.

Q. Do you know Mr. James?—A. Yes.

Q. How well do you know him?—A. I just met him at Mr. Brilliant's once.

Q. Did you ever meet him out around on these complaints?—A. No.

The COURT. Who is he?

The WITNESS. Oh, he has charge of the union; the American Federation of Labor, the union, I think.

The COURT. Out on Trumbull Avenue?

The WITNESS. No; I don't know what his position is.

The COURT. Up in the Fox Theatre Building?

Mr. GARBER. Francis Palms.

The COURT. The Francis Palms Building?

The WITNESS. Yes.

By Mr. GARBER:

Q. Do you know if there is any type of box?—A. I will have to ask you that again.

Q. Do you know if there is any type of automatic phonograph, like Wurlitzer, they will not issue a union ticket for?—A. I wouldn't know that. I haven't heard anybody say that.

The COURT. Do any of your members own Wurlitzers?

The WITNESS. Well, just offhand, I would say, yes.

By Mr. GARBER:

Q. You would say they do?—A. I believe so.

Q. New ones?—A. I believe so.

Q. When did you see any Wurlitzer?—A. Well, I will tell you when I saw a new Wurlitzer, at Frank Alluvot's, Frank's Music Company on McNichols Road, a few days ago.

Q. It wasn't out on location though, was it?—A. No, sir.

Q. Have you seen any new ones out on location?—A. Not that I know of. I don't recall.

Q. Do you know what a location is worth?—A. No, I don't.

Q. Do you know of any of them being sold?—A. No; I don't know anything about that.

Q. You don't know what they are worth in the open market?—A. No.

Q. Do you know what the average return on a machine is, approximately?—A. Well, that's a matter of opinion I would say. Billboard, one of the leading music magazines, claimed, or they had this place in their paper a short time ago, claimed that the average net take on a juke box was eight dollars.

Q. A week?—A. Eight dollars a week. That's net, and that would mean about they were from sixteen to twenty dollars, depending on the kind of conditions they are operating under.

The COURT. About eight dollars a week net?

The WITNESS. Yes.

The COURT. Four weeks in a month would be \$32.

The WITNESS. Yes.

Mr. GARBER. Four and one-third weeks in a month?

The WITNESS. Yes.

The COURT. What is the average price of one of these boxes?

The WITNESS. The new ones, as far as I know, I have heard fellows say these new ones cost up to \$1,000. Of course, when this fellow takes out the \$16 he has eight left for himself, and with that he has to buy his records, pay his overhead, and whatever repairs.

The COURT. Well, net: you are an accountant, you say?

The WITNESS. I am not a certified public accountant.

The COURT. No; but when you are talking net, the way I understand net is when all expenses have been taken care of.

The WITNESS. I mean, \$8 is the net he takes out of the box for himself. The net figure, of course, what he has left out of the \$8, I don't know that.

The COURT. You mean to say—

The WITNESS. It would be—if there were \$16 in the box, they call that \$16 gross, and whatever he takes home they call net.

The COURT. But it isn't net?

The WITNESS. No.

The COURT. There is a big difference between net and half the gross.

The WITNESS. Oh, yes.

By Mr. GARBER:

Q. Do you have anything to do with mailing out these union stickers over at the office?—A. No, sir; I don't. I don't do any of the work at all.

Q. One thing I want you to think about a minute before you answer, and I want the truth on it, and are you certain, when you go out and find a box that don't have a label, you don't report that to the union?—A. No, sir.

Q. Never have?—A. Definitely not.

Q. Have you ever reported anything at all to the union?—A. Definitely not.

The COURT. Do you report it to your own office?

The WITNESS. Yes.

The COURT. Does anybody in your office report it to the union?

The WITNESS. I don't know that.

The COURT. Are you sure?

The WITNESS. I don't know that.

The COURT. You remember you are under oath here?

The WITNESS. Yes, I know.

Mr. GARBER. Did you ever hear of anybody reporting anything to the union, where they failed to pay their dues?

The WITNESS. I did to this extent: I think we have a method of making some reports to the union. I don't know what it is.

Mr. GARBER. Who makes that report?

The WITNESS. I don't know whether Mrs. Lund makes it or not.

The COURT. Is there any field man checking these machines from the union, like you are sent out from the association?

The WITNESS. I don't know that, Judge.

The COURT. What do you think?

The WITNESS. I wouldn't be surprised at all, but what there may be.

Mr. GARBER. Ever meet one?

The WITNESS. No.

The COURT. If you check every machine in your locations, and report it back to the office and they report to the union, there would be no necessity for a man from the union checking it, would there? It would be a duplication of help?

The WITNESS. My work is more than checking the machines, Judge. I recover a great many locations for our owners.

The COURT. You canvas the entire territory, you know where the machines are, who operate them, the operator of the premises where the machines are, you check as to whether any machines have been taken out of the place and put in a different place?

The WITNESS. I just take the reports as she gives them to me. The operator is having trouble with this location here, the man that owns the tavern is threatening he is going to move the machine out for some reason or another, I don't know what it is. Maybe not making enough money, maybe the records are no good, and when she gets that report over the telephone she makes out that report for me and I go out and interview the fellow.

By Mr. GARBER:

Q. Then you make a report to Mrs. Lund?—A. Yes.

Q. Who makes the complaint in the first instance?—A. The operator.

Q. Joe Dokes has a certain machine in a certain spot?—A. Yes.

Q. And that man is dissatisfied?—A. Yes.

Q. He tells the operator he is going to put the machine out?—A. Yes.

Q. And then the operator immediately calls up Mrs. Lund over here in the Ford Building and says the proprietor out here in such-and-such a location is going to put my machine out.—A. Yes.

Q. And then she gives that to you?—A. Yes.

Q. You go out to see that man?—A. Yes.

Q. You have an argument or conversation with him as to why he should keep the present operator?—A. I don't have an argument.

Q. All right; a conversation.—A. I find out what is wrong and if I can, I take care of that for him through the operator. That's what I try to do. That's my instructions from the board. If I can't do that, if the fellow has got to the point where he will be damned if he will have anything to do with that operator, then the operator takes the machine out, and I go back again to see if the man will change his mind.

Q. What if he doesn't change his mind?—A. I can't do anything about it.

Q. When he does that, it becomes an open spot?—A. At the end of the year.

Q. And no other association man can move in there?—A. Yes.

Q. Under what circumstances?—A. By seeing the operator that was there.

Q. If the operator will release the spot, another man can move in?—A. That's the way I understand it.

Q. If he won't release the spot, the man will be without a machine for a year?—A. Well, that is a rare occasion.

Q. Or the operator can sell this spot?—A. Yes.

Q. If he pays fifty or one hundred dollars he can buy the spot?—A. Yes.

Q. And the second operator then can go in under your association rules?—

A. A lot of them, these fellows, change locations a lot, as I understand.

Q. They swap locations?—A. Yes.

Q. But if they don't swap, or the man doesn't buy him out, that man can't get a juke box in there from an association man?—A. I don't believe he can.

The COURT. Did you ever see union labels on those machines?

The WITNESS. I know what they look like, Judge.

The COURT. Did you ever see a machine that was being operated in some place other than in the operator's own premises, without a union label?

The WITNESS. Well, I don't check the union labels, Judge. I don't quite understand you there, now.

The COURT. Well, you walk into Joe Dokes' place; he is running a saloon?

The WITNESS. Yes.

The COURT. He doesn't own the machine in there?

The WITNESS. Yes.

The COURT. But a member of your association owns that machine and you know it. That machine before it can be operated must have a union label on it; don't you know that?

The WITNESS. Well, I know that they buy these labels to put on the machines.

The COURT. You know that machine, in order to be operated, under those circumstances, must carry a union label?

The WITNESS. Well—

The COURT. Do you know of one instance, under those circumstances, where a machine was being operated without a union label?

The WITNESS. I wouldn't say that I did.

The COURT. As a matter of fact, there are none of them; is that right?

The WITNESS. If the operator gets 100 labels and he only puts 50 of them on, that is up to him.

The COURT. Don't you know that before an operator can operate one of those machines in other than his own place of business, two things must happen: He must be a member of your association, and a member of the union before he can have a union label on there; is that right?

The WITNESS. That's right; that is the law of the association and the union.

The COURT. What is the connection between your association and the union?

The WITNESS. The connection, as I understand it, we have a contract with the American Federation of Labor, and I don't know anything about it other than that.

The COURT. You have never seen the agreement?

The WITNESS. I don't know what the thing is, or anything. I am not supposed to know.

The COURT. Do you know who figured out the rate on the machine, 30 cents to your organization and 70 cents to the union?

The WITNESS. No. This association started about six months before I started to work for them.

The COURT. Do you know who figured those rates?

The WITNESS. No.

The COURT. Do you know before an operator can operate one of those machines in some place other than his own premises, he first must get a license from the city officials?

The WITNESS. Yes.

The COURT. How much is that license?

The WITNESS. There is a distributor's license, all the way from \$25 up to \$150, and there is \$7.50 on each box.

The COURT. To be paid to the city?

The WITNESS. Paid to the city.

The COURT. Per year?

The WITNESS. Per year.

The COURT. Do you know there is a federal license, tax?

The WITNESS. \$10.

The COURT. For how many machines?

The WITNESS. Now, I don't know that.

The COURT. \$10 per machine?

The WITNESS. Per machine? Well, I guess that's right.

The COURT. Per year?

The WITNESS. Yes.

The COURT. So, before a man operates a machine, at least in premises not owned or occupied by himself, he has got to get a license to do so from the city and pay the price?

The WITNESS. Yes.

The COURT. He has got to get the license from the Federal government and pay a certain price?

The WITNESS. Yes.

The COURT. And he has got to pay 70 cents per month on each machine to the union, is that right?

The WITNESS. If he belongs to the association and the union, he does.

The COURT. And if he belongs to the association and the union, he pays the association 30 cents per month per machine?

The WITNESS. Yes.

The COURT. And the union 70 cents per month per machine?

The WITNESS. That's right, as I understand it.

The COURT. Do you know in whose brain that policy originated?

The WITNESS. No, sir; I don't.

The COURT. Did you ever hear of it before?

The WITNESS. No, I never worked in this business before.

The COURT. Does it look kind of strange to you?

The WITNESS. Well, these fellows that own these juke boxes, they go out and invest \$50,000 or \$10,000 in these juke boxes and if they would have to move their juke boxes in and out too often, they wouldn't make money. I think that's the purpose of the association.

The COURT. When a man joins your association, he pays an initiation fee?

The WITNESS. Yes.

The COURT. That used to be \$10?

The WITNESS. Yes.

The COURT. Now it is \$50.

The WITNESS. I don't remember, but I think it was a graduated scale starting with \$10.

The COURT. And he pays an additional 30 cents per machine per month?

The WITNESS. Yes.

The COURT. Will you kindly tell us and put it on the record, what you give that operator in return for that money?

The WITNESS. Well, of course, these machines, these members, they have created this association, have created—

The COURT. Before you answer that question—this is off the record:

(Discussion off the record.)

The COURT. All right, on the record, now, and when I say "you," I mean your association?

The WITNESS. Well, Judge, I—I am speaking for myself, or for the association? I thought I was speaking for myself. This association consists of paying members and of the board—the board of trustees; they have six members. I

don't mind speaking for myself, but I would rather not speak for the association.

The COURT. Then speak for yourself first.

The WITNESS. Well, the reason why—if I make it long, is it all right?

The COURT. Yes, but don't give us a book on it.

The WITNESS. Yes. The reason why these men joined the association is so that their spots will be more protected.

Mr. GARBER. How do you protect them?

The COURT. Bear in mind this is a non-profit-sharing corporation.

The WITNESS. That's right.

The COURT. Now, tell us what these operators get out of it?

The WITNESS. Well, I would say that the thing the operators get out of joining this association is protection so that their machines aren't moved around too often, as I see it.

The COURT. Counsel, you may proceed.

By Mr. GARBER:

Q. Now, that very statement, let's analyze that. You say, keep them from moving around. If a man wants to get rid of a machine, how does the association, or how do you make him keep it?—A. Well, you say these members have this agreement between themselves.

Q. Let me ask you one other question.

The COURT. Does that mean anything to you?

The WITNESS. Personally—

The COURT. Wait a minute. We are all over 21 years of age, except the reporter.

The WITNESS. I tell you what is done, Judge, for some of these operators, as they tell me. They tell me the difference between belonging to the association and not belonging to the association means an awful lot of money, and if they had to sell their routes—I don't know how many operators there are in Detroit don't belong to the association, but that is what they tell me.

The COURT. What right has your association to charge these men 30 cents per unit per month, if you know?

The WITNESS. Well, I don't know that.

Mr. GARBER. What right have they to fine them \$50 if they steal a spot?

The WITNESS. I don't know that. I don't sit in on those board meetings.

The COURT. Would you say it is just some evidence of an invisible government?

The WITNESS. I think it is the law of the association.

Mr. GARBER. What power do they use to enforce this jumping of spots?

The WITNESS. That's up to the board. I don't sit in on that at all.

The COURT. Who has the answer to these questions?

The WITNESS. Mr. Brilliant is the president, and Mr. DeSchryver secretary and treasurer.

The COURT. Where is he now?

The WITNESS. They have a business place here in the city. Mr. Brilliant is president, Mr. DeSchryver secretary and treasurer, and Mr. Skinas vice president, and they have, as a rule, three other members of the board. I don't know how they keep office, or how they are appointed.

By Mr. GARBER:

Q. Do you know, of your own knowledge—you have been in this business now at least 20 months.—A. 15, Mr. Thompson.

Q. All right; Garber is the name.—A. Pardon me.

Q. Do you know of one other outfit that is putting machines out that doesn't belong to the union or to your association?—A. Well, I know that the Wurlitzer people don't belong to the association.

Q. They are not operators; are they?—A. They have some men operating; they are a distributing company.

Q. They are trying to sell machines?—A. Yes.

Q. I am talking about an operator. Do you know an operator, the man who puts the machines out, that doesn't belong to the union and the association, that is operating in Wayne County right today?—A. I know there are some. I don't know the names, or the names of the companies.

Q. Can you give me the name of anyone that is operating with any number of machines in Wayne County right now?—A. I will have to answer that this way: I was out to a place out on Bagley Avenue last week, where one of our operators was supposed to be in there, and there was a new Wurlitzer in there. The name of the company was T. and D. Music Company, but I don't know how many machines they have.

Q. Can you name another?—A. There used to be the J. C. Music Company.

Q. That is out of business?—A. I don't know that. There was another company called the Melatone, that is handling Wurlitzers.

Q. There is a definite break between the Wurlitzer operators and the balance of them?—A. As I understand it.

Q. And there is difficulty every place a new Wurlitzer machine goes in?—A. I don't know of the difficulty, except these fellows come in and our operators go out.

Q. There is a lawsuit pending in Circuit Court on that now; isn't there?—A. Yes.

The COURT. What is the cause of that?

The WITNESS. I am not familiar enough with that to talk on it. These fellows on the board know that story.

Mr. GABER. I think that's all for the present.

The COURT. All right; you may go now.

(Witness excused.)

5:30 p. m.

THOMAS V. LOCICERO, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. SCHEMANSKE:

Q. Will you state your name, for the purpose of the record?—A. Thomas V. LoCicero.

Q. And your profession?—A. Attorney.

Q. And you graduated when?—A. Graduated from the Detroit College of Law June 1933.

Q. Duly licensed to practice law in the state of Michigan?—A. I have been since October of that year.

Q. Now your offices are where?—A. 2362 National Bank Building.

Q. You are in the active practice of law?—A. Ever since then.

Q. Now, did you act as an attorney for the Michigan Automatic Phonograph Owners Association, Incorporated?—A. I do and have since about January of this year.

Q. What are some of your duties with the organization?—A. My duties included, at the beginning, the organization of a nonprofit corporation in the State of Michigan, patterned after a similar organization in Ohio, the Ohio Automatic Phonograph Owners Association, I believe. I did some ordinance work. There was an ordinance being passed by the Common Council for the City of Detroit relating to licensing of boxes and operators, and so forth. I appeared before the Common Council in connection with that, and I helped negotiate a contract with the Music Maintenance Workers Union. I attend the general meetings of the corporation every month, which is on the second Thursday of the month.

Q. That is tonight?—A. Yes. One meeting tonight, and they call me from time to time. They call me on different things once in a while.

Q. Have you represented them in a lawsuit recently?—A. Yes. I represented them on one lawsuit, the S. and B. Music Company against the association and the union. I counseled at that time with Mr. Bernard and the attorney for the complainant, the plaintiff, that was Larry Davidow and Jackson, a colored attorney, and the matter was first settled in Mr. Bernard's office by the union taking this group in and then an order was entered by Judge Toms dismissing the suit based on the settlement of the case; then they came back and said there wasn't a proper agreement, and so on, and we went back before Judge Toms and he dismissed a motion to set aside the order for discontinuance.

Q. What was that case?—A. I don't know enough about it, except from the pleadings—as a matter of fact I never did go into the actual study of it.

Q. Were all the pleadings perfected in that case?—A. I filed sworn answers in that case.

Q. Now, did you prepare the file of this organization?—A. Yes.

Q. Are these bylaws a redraft of the Ohio organization?—A. Almost—I won't say word for word, but almost a copy of them. I varied them only for the occasion, names and places, and there were some changes made myself—minor changes.

Q. How long has the Ohio association been in existence; do you know?—A. I have been told it has been operating at the time we organized, about six or seven years at that time—about eight or nine years now.

Q. Have you checked the records up there as to whether or not they have had any cases that were adjudicated, either civil or criminal?—A. I haven't

checked the records themselves. I did talk to their attorney, William Rosendahl.

Q. In Cleveland?—A. Yes. And when I first got into this picture, I went down and discussed the entire matter with him and he told me at that time there had been an investigation made. I think the Federal Trade Commission was in there on it one time, and checked the set-up, and said it was fine, there was nothing wrong with it, there was no question at the time, which pertained—they were making a study of the minimum cost of the operators, for each operator.

Q. Who was making the study?—A. Cleveland at that time was making a study of it, and they thought they could set a minimum price or something on it, and a representative of the Federal Trade Commission, as I understand, he thought that was going a little too far.

Q. Were there any proceedings had before any Commission or any agency in Ohio?—A. Not that I know of.

Q. You mean the Federal Trade Commission investigator came over there?—A. Yes. I don't recall whether he said the matter had been discussed with the prosecutor down there, or just who it was, but the matter was made a subject of some investigation and they decided it was all right.

Q. How long ago was that?—A. That was in January of this year, I believe.

Q. This year?—A. This year; yes, I think so. I don't know now whether I am making a mistake—was it this year?

Mr. GARDER, January of 1945; wasn't it?

The WITNESS. That's right; almost two years ago. Time has gone by pretty fast the last year.

By Mr. SCHEMANSKE:

Q. Do you check the minutes of the corporation as well?—A. I do sometimes. I don't all of the minutes, but I took them all with me when Vic DeSchryver became the new secretary and treasurer—Patton resigned because of ill health—and I took all the minutes and brought them up to date, and they are still not quite completed.

Q. In other words, you are acquainted and familiar with the background of the organization sufficiently from its incorporation, and also from its meetings of its activity?—A. As far as the corporation is concerned, I believe so.

Q. Did you prepare the agreement between the association and the union?—A. No; they submitted the contract to us.

Q. I notice you have your back on it?—A. Yes; they submitted a contract, and I think I still have the original one in my file.

The COURT. Who is "they"?

The WITNESS. Mr. James submitted the contract to us.

The COURT. What local is it?

The WITNESS. It is a long number, about five numbers, Music Maintenance Workers Union Number 23 and something.

Mr. MOLL. 186?

The WITNESS. I don't recall the number. They submitted this contract and we started to negotiate paragraph by paragraph, and when we were finished, I said, "I will have to retype this" and that is why my back is on it.

By Mr. SCHEMANSKE:

Q. Were any changes made from the draft submitted?—A. Yes, quite a few.

Q. Will you give us an idea how they operate?—A. They operate this way: The membership is open to anyone that wants to join the association. The association, in turn, has—

Q. You are referring now to operators?—A. All operators; yes. They must have two or more machines to belong. That is the only restriction there is. The association has an industry-wide contract with the union, which is this contract we have mentioned.

Q. In other words, it is mandatory to simultaneously belong to the union, as well as the association?—A. If you belong to the association, you must belong to the union.

Q. And vice versa?—A. No, there is a clause in the contract that the union can admit other members and they don't have to belong to the association, but they can't give them a better contract than we have with the association.

Q. We will get to that a little later on. Give us more or less their method of operation?—A. It is just like any other organization that has an industry-wide contract by which they are bound, and they have this feature in order to avoid lawsuits, and some of the trouble they told me they were having over a period of time, they arbitrate their own grievances between the operators who are members. In other words, they have trouble over a location, and if they are both



members, one member will complain against another, and the board of trustees, which is elected by the group, sit on it. They have meetings every Monday, I think it is, and they are both present. They are not supposed to hear or determine anything unless both parties are present.

Q. Do they fine them?—A. Yes, they have provisions for fining them.

Q. That appears in the bylaws?—A. In the bylaws; yes.

Q. Now, let's take this example: If I operate a beer garden, and if I wanted to buy a machine and put it in there myself but not become an operator or a member of the union, would I be allowed to put that machine in my own establishment?—A. Yes.

Q. What would happen if I did put that machine in my own establishment?—A. Nothing.

Q. Would I be picketed?—A. No; not that I know of. I don't know.

Q. Sure?—A. I don't know anything about union operation of it, of course.

Q. How is the machine serviced?—A. I am assuming the man is not a member of the association?

Q. Yes. Nor a member of the union. He is a businessman operating a beer garden, for instance.—A. He owns his own machine?

Q. He owns his own machine?—A. That's right.

Q. Would they picket the place, the union picket the place by having signs, I "am unfair to the organization, to organized labor"; that I don't employ somebody to repair or condition the machine?—A. I don't know that.

Q. You never heard of an example of that type?—A. That is one of the complaints in this lawsuit; in that S. and B. case, they made that type of complaint, but they said they used a union man in servicing it.

Q. Would he be able to get service from the union, a union man to service that type of a machine?—A. If he put it in his establishment, I don't know. I would imagine so, but I have never had occasion to handle such a thing.

Q. Supposing a man bought a Wurlitzer, a Wurlitzer machine, and that the operator was a member of the association and a member of the union, and he bought a Wurlitzer machine, say, what would happen to him?—A. Nothing, that I know of.

Q. Can an operator buy a Wurlitzer machine today?—A. Yes.

Q. He can?—A. That's my understanding.

Q. Without any future trouble?—A. Yes.

THE COURT. If he just buys it, but can he operate it?

THE WITNESS. Yes. I don't know whether I am sort of jumping the gun or anything, but I think, mentioning Wurlitzer, gives me a lead on something else. There have been complaints that the Wurlitzer Company has granted or agreed to grant what they call a franchise, the terms of which are if you agree to buy 10 Wurlitzers you put a deposit of, say, \$50 a piece on each machine, and they will deliver them if, as, and when; but once you sign that agreement you cannot buy any other machine of any other make, and, if you do, you forfeit the deposit that has been given to them under that contract.

By Mr. SCHEMANSKE:

Q. Under the Wurlitzer contract?—A. Yes, and you cannot buy any parts for any Wurlitzer you may already have in operation. That complaint has been made public at the meetings, and at one meeting there was a representative of the Wurlitzer Company here, and we asked them directly and in public if that was their policy, and they said it wasn't. Attempts have been made to get their policy direct from the main company, trying to find out whether that is the policy of the Wurlitzer Company, but we have not been able to get any information on it at all. I do know of the Parks Distributing Company, I believe it is, of Saginaw, and this was brought to my attention: He had bought ten machines and put up \$500 as a deposit, they delivered one machine under that contract and he paid for it in full.

Q. Do you know who that party is?—A. Parks.

Q. Parks?—A. Yes, I think it is.

Q. In Saginaw?—A. Yes.

Q. Do you know any Detroit operator of the same type?—A. Yes; I think there was another one. I think Conway had a contract with Wurlitzer.

Q. Conway?—A. Conway Music. I think he is a colored operator and he had the same type of thing. This man Parks brought me the receipt for the \$500, but there were no conditions on it about which I have mentioned. In other words, they couldn't buy any other make, and so forth. I understand he went

to the local man here—I don't know who it was—and said if that is the way they wanted to operate he wanted his money back, and I understand at first they refused to give him his money back, and they said, "You know what the agreement is," and he said, "Give me a copy of the agreement in writing," and they wouldn't do that, and he came to me and I wrote a letter to the Bilvin Distributing Company here stating I had this agreement before me and they were refusing to refund the balance of the deposit as their salesman had promised, and I didn't get an answer on it, and later on I saw the man here. I think the man's name is Bufalino, and I asked him about it and he said, "We gave Parks his money back a long time ago."

Q. Bufalino was sales manager for Wurlitzer?—A. I understand so.

Q. There was no lawsuit started in that particular instance?—A. No; Bufalino told me the money had been refunded.

Q. Were there any other complaints registered at the meetings against the Wurlitzer Company?—A. Not that I remember. That was the gist of the whole thing.

Q. What method of taxation do they have as far as the organization and the union is concerned of these machines?—A. They tax according to the number of machines they have in the organization with a minimum and a maximum, if I remember correctly. I believe the maximum is \$100, and the minimum is a \$50 initiation fee.

Q. Is the initiation fee the same for all operators?—A. Within those limits. There is a minimum of \$50 and a maximum of \$100. It is according to the number of machines, \$1 per machine.

Q. If a man owns 25 machines he pays \$50?—A. Yes.

Q. And if he has 51 machines he pays \$51?—A. Yes.

Q. Up until it reaches \$100?—A. Yes. The original amount I think was \$25. I don't recall exactly, but there was an amendment to the minimum, and I think it was \$50.

Q. Then the tax assessed or the fees assessed are 30 cents for each box that goes into the association, and 70 cents that goes to the union?—A. No; 30 cents for the association, and the union itself charges 70 cents. The association has nothing to do with the 70 cents.

Q. Who mails out the stickers?—A. The stickers are delivered by the association as a matter of convenience, and this was worked out between them and the union.

Q. How was that worked out?—A. It was a question of how to get these stickers to the various operators, and so on, and they got tired of having the people going down to the union office, getting their stickers, paying their dues there, and finally they agreed on a method of the union delivering the stickers to the association office, and as the people came in to pay their dues to the association they would collect for the union and remit that 70 cents to the union, as I recall. I think they were going to open a separate bank account where that money would be deposited.

Q. How long has that been in existence?—A. Oh, I would say from within a month after it started.

Q. In other words, if an operator had 50 boxes, he would pay \$50 to the association office and 30 percent of that would be deposited in the association account and 70 percent of that would be paid on to the union, and the stickers would be obtained from the association office?—A. They were supplied by the union.

Q. It would be they would pay the union fee at union headquarters?—A. Some of them did. I am not too familiar with that, Mr. Schemanske. For example, at some of the general meetings the matter came up and the men would come up and pay their money and get their labels there.

Q. They would get their labels at the office of the association?—A. Yes, and sometimes at the general meetings.

Q. But do they have to pay their union dues to the association office?—A. Yes; the instructions of the union are they are not to release the labels until they have paid the union dues.

Q. Has that matter been discussed at the meetings of the association?—A. No; that hasn't come up.

Q. Where do you get that particular knowledge from, Tom?—A. From one meeting, I think—one time I believe the board asked me about it.

Q. The trustees?—A. The board of trustees asked me about it, and I said I didn't want any of the group to have anything to do with the union bunch. "Well, can't we collect them at the same time?" "I suppose you can collect them

at the same time, but only as an agent for the union, and don't commingle those funds with your own funds," and as I recall, we had a meeting along that line, that subject, if it could be done that way, and I thought it was all right.

Q. How long ago was that?—A. It would be toward the beginning of the organization.

Q. Would that appear in the minutes of the trustees' meetings?—A. I don't know.

Q. Do you know whether or not that practice or suggestion has been followed?—A. As far as I know. The only knowledge I have had since that time is at the general meetings which I attended. They are the only meetings I attend, once a month, and the men will pay their dues there and get the labels.

Mr. MOLL. Are these labels issued monthly?

The WITNESS. At first they were issued monthly, and then the union complained it was too much label, too much label business and they wondered if they couldn't work it out on a three-month basis, and I understand that was done.

Mr. GARBNER. The last label that was put out was August 15 to September 15, only for a 30-day period, September 15 to October 15.

The WITNESS. Then, they are probably still working it out on a monthly basis.

Mr. GARBNER. I have one here.

The WITNESS. I have seen them on machines.

Mr. GARBNER. It is still on a 30-day period.

The WITNESS. This three-month business I am talking about was, oh, I guess about nine or ten months ago.

By Mr. SCHEMANSKE:

Q. What happens to the 30 cents the union collects?—A. To explain that I ought to explain, I think the organizational setup of the association. The association, as such, is a Michigan corporation, state-wide.

Q. Nonprofit?—A. A state-wide organization, nonprofit; however, it does grant charters to what we call local chapters. Local Chapter Number 1 is the Detroit area, so-called.

Q. But it is composed, or consists of other counties besides Wayne County?—A. It consisted originally of Wayne County, Macomb and Oakland, I believe, and then they added, I believe, Monroe County, and possibly St. Clair, but the minutes will show that; and, if I am not mistaken, as I say, I think it included later on, St. Clair County; that is the local chapter number one.

Q. Where is Chapter Number Two?—A. Some area in Muskegon. I haven't had much to do with that.

Q. That is a separate and distinct chapter?—A. Yes, but all under the state organization. They pay 30 cents and, actually 10 cents is for the state group and 20 cents actually for the chapter.

Q. But that is under the control of Chapter 1 as well?—A. Here it is, in this area, and it is because, you might say, Chapter 1 and the state level of it is all one group.

Q. It is the governing factor, isn't it, Chapter 1?—A. Just about that.

Q. In other words, 10 cents of the 30 cents is deposited in the state account?—A. Yes.

Q. And the account is kept here by Chapter 1?—A. The account is kept by Chapter 1. They have a separate account, and the local Chapter 1 is supposed to make a report to the state, of course.

Q. Who issues checks against the state fund?—A. I believe they are the same for both the state and the local Chapter 1, the same officers. The president, I think, signs—I got one today—and the secretary-treasurer signs.

Q. You mean your monthly retainer?—A. Yes; two hundred bucks a month.

Q. Is that right?—A. Yes.

Q. So that leaves 20 cents for Chapter 1?—A. Yes.

Q. Do you know what the take is for a month?—A. The total amount?

Q. Yes.—A. No.

Q. Approximately?—A. I never had any idea about it.

Q. Do you know what current expenses are, monthly current expenses are for Chapter 1?—A. No.

Q. You have your office rent?—A. Yes. You have the girl in the office and you have Mr. Hall.

Q. You have two girls; don't you?—A. I guess they have two girls. I haven't been over there. I have heard of a Betty.

Mr. GARBNER. Mrs. Lund and her assistant?

The WITNESS. Yes.

By Mr. SCHEMANSKE:

Q. Mr. Hall?—A. Yes.

Q. Yourself as attorney?—A. Yes.

Q. The office rent, telephone, and incidentals.—A. Yes.

Q. What happens to the balance of that money?—A. Supposed to be kept on hand.

Q. Do you know about the approximate balance, current balance?—A. I remember one statement I think they made, and the figure on hand was somewhere around \$4,000. It was read at one meeting.

Q. We will have to bring you up to date on that. It is about \$7,000 at the present time.

The COURT. \$9,000.

By Mr. SCHEMANSKE:

Q. That is Chapter 1, rather.—A. This was about—oh, when was it? I think it was just before the annual banquet they had at the Latin Quarter. I think the balance at that time was about \$4,000.

The COURT. This is a non-profit-sharing corporation?

The WITNESS. Yes.

The COURT. What becomes of the money they make?

The WITNESS. Supposed to keep it on hand.

The COURT. How long is the corporation running?

The WITNESS. Well—

Mr. WATSON. Organized January 1945?

The WITNESS. Since January of '45.

The COURT. If there is a \$7,000 balance on hand and the snowball is going downhill, what will they do on that score?

The WITNESS. I don't know.

The COURT. Looks like they have a bear by the tail?

Mr. WATSON. Looks like they have a corporation that isn't a nonprofit corporation; they will have to do some converting.

The WITNESS. I don't know. The question will come up sometime.

The COURT. I would like for you to explain how you arrived at the figure of 30 cents tribute per month per machine to a non-profit-sharing corporation, and if possible, explain, for the record, how the union arrived at a tribute of 70 cents per machine per month?

The WITNESS. I don't know, Judge. I didn't arrive at it. I had nothing to do in arriving at it.

The COURT. It goes so far afield from unionism, I would like to have some light on it.

The WITNESS. I can't help you on that, Judge, because I don't know. I have never had anything to do with the amount.

The COURT. If a man owns 150 machines and he has three or four employees that are union men, and the union is taxing, as tribute, 70 cents per unit per month, what is that differential between union fees and the gross take?

The WITNESS. I don't know.

The COURT. Does it look all right to you?

The WITNESS. From that point of view—well, I had never thought of it from that angle, your Honor, please.

The COURT. This is a nonprofit-sharing corporation, and these members pay 30 cents per unit into the corporation, each member having paid their initiation fee, and I understand, and if I am wrong I would like to be straightened out, that if the operator is no longer a member of the association, he doesn't operate the machine because he is running into the union, and from that he runs into a picket line, and if he doesn't belong to the union, but does belong to the association, he is still in difficulty, and in order to get through he has to belong to the union, as I understand it, and also to the association, he pays his union tribute of 70 cents a month and 30 cents to the association.

The WITNESS. No; he doesn't have to belong to both of them, the Court please, unless he first belongs to the association. If he belongs to the association, then he does have to belong to the union, because of the contract.

The COURT. What are these conditions precedent where he is operating peacefully the machine he owns, for example, a man operating and owning a machine, we will say, for example, he has 100, he pays a license to the city of Detroit, complies with the law, he pays a Federal tax, complying with the federal law, but outside of some invisible government, he ought to be able to operate now as the owner, and he has title of the machine, and why can't he?

THE WITNESS. He can, as far as I know.

THE COURT. Why can't he operate those machines, but, as a matter of fact, he can't do it unless, as I understand it, he belongs to the association, and belongs to the union.

THE WITNESS. That isn't true, as far as I know, because a contract has been given to the Bradley Music Company, an operator's contract was given to them.

THE COURT. What does your association give a man that has joined the union and owns 100 machines? What does your association give that man when he has paid his initiation fee, and paid 30 cents per unit per month.

THE WITNESS. Whatever benefits there are.

THE COURT. What are they; just enumerate some of them.

THE WITNESS. The settlement of these grievances they have between members, the advertising program they carry out.

MR. WATSON. What program is that?

THE WITNESS. To try to raise the standards of the operation to such an extent that they don't get hoodlumism into the organization.

MR. WATSON. What advertising programs; what do they advertise?

THE WITNESS. For example, the annual banquet, they have each year. That's in the nature of advertisement.

MR. WATSON. They charge \$5 for a \$5 banquet, or rather, slightly in excess of that?

THE WITNESS. As I recall they paid around a \$1,000 deficit.

MR. WATSON. \$506.

THE WITNESS. \$506?

THE COURT. The banquet was Dutch treat?

THE WITNESS. I don't know; I had to pay for my tickets.

MR. GARBER. Everybody else did?

THE WITNESS. I guess so.

THE COURT. That was Dutch?

THE WITNESS. Yes.

MR. WATSON. There is no advertising done by this organization as such, is there?

THE WITNESS. They intended to do some. The Ohio group, I understand, does.

MR. WATSON. What have you got to advertise, put a nickel in your favorite juke box and hear a record?

THE WITNESS. There is plenty to advertise.

MR. WATSON. I can't see what there is to advertise?

THE WITNESS. They could run billboards, ads in these various magazines, and so on.

MR. WATSON. About what?

THE WITNESS. Juke boxes and operators.

THE COURT. Supposing a man wanted to run 10 or 15 machines, and as far as your association was concerned he was persona non grata, and he was likewise with the union, but he complied with the law of the land, he took out a license at the city hall, and one with the Federal Government, and when he started to operate, he didn't belong to the union or the association, could he proceed?

THE WITNESS. Yes, that was the Bradley case.

THE COURT. What happened?

THE WITNESS. Bradley complained he couldn't get a union contract, and just before the hearing I was before Your Honor on that Bischoff civil-service case, and at recess Jackson came into the courtroom and said, "Are you LoCicero?" And I said "yes," and he said, "My people can't get a contract." I said, "That must be wrong, there's no sense to that," and I said, "Have you approached the union," and he said "yes," and I said, "That's crazy, you're supposed to get one." I said, "I will get hold of a party," and I called Barnard, and he said, "Of course, we can give you a contract, why not?" As a result, we had a meeting in Mr. Barnard's office and we had Mr. Barnard, the two complainants, their attorneys, Larry Davidow and Jackson himself, and Jimmy James and myself. I was more of a bystander, but I explained what my point had been up to that point, and Barnard and Davidow argued the thing out, and they then and there dictated a contract to Bradley for himself to belong to the union. They were not members of the association. These men had been employees of another member of the association, and gone into business for themselves.

THE COURT. Did they then become members of the association?

THE WITNESS. No.

The COURT. Are they running those machines?

The WITNESS. Yes.

Mr. GARBER. Did they put up a bond?

The WITNESS. I understand they did put up bond.

Mr. GARBER. \$500 to keep them in line as far as the ethics are concerned?

The WITNESS. I don't know about that.

Mr. GARBER. Which takes the place of the association.

The WITNESS. No. As to that bond, I have heard that situation discussed, and there is a Cincinnati case that is almost identical to that.

Mr. SCHEMANSKE. In the local court?

The WITNESS. Yes, one of the courts there, and it held it was a reasonable requirement. The story of the union is they needed that as a good-faith guaranty for them to live up to the rules of the organization, and so forth.

The COURT. What has the union got to do with the organization?

The WITNESS. I don't know that it has anything to do with it.

The COURT. As I understand these union rules, ordinarily a man is a bricklayer, butcher, or clerk, and he makes application to go into the union; they have a fee set and he pays it and goes in there, and becomes a member. Now, if a man operates machines, I would take it, in the same line of reasoning, he has five employees servicing machines, and the union will see they have application blanks, and the fellow fills it out, and I have tried to work out in my feeble mind, how a union can ask tribute from a man's property, money arising out of a man's property or business outside of the legitimate field of unionism. Can you help us out there?

The WITNESS. The only thing I can tell you, they seem to require payment of dues in the same manner of other members of other unions.

The COURT. Off the record, so we can get a meeting of the minds.

(Discussion off the record.)

Mr. WATSON. You say this was copied from an Ohio plan, Tom?

The WITNESS. Yes.

Mr. WATSON. Who first brought the idea up here, someone who had been down to Ohio?

The WITNESS. Yes, I was approached by, I think, four men, one was Joe Brilliant, one was Victor DeSchryster, and another G. M. Patton, who was the former secretary-treasurer, and another was—I don't recall the other one right now. They said, "now, we are in the juke-box business," and by the way I never had any connection with the boys before at all. Les Deeley, in our office, has done a lot of industrial counseling. He has been known for many years in that field.

The COURT. What's his name?

The WITNESS. Deeley, Lester Deeley, D-e-e-l-e-y. He was formerly head of the Detroit Association of Credit Men and he is counsel for a number of organizations, and he has done a lot of that work, and I imagine that is why they approached me. I never knew any one of these four men at all; I had never heard of them, and they said, "There is an organization in Ohio that has been operating about seven years. We want to organize the same thing here; will you act as our attorney?" I said, "I will be glad to act as your attorney; how much will you pay me?" That was in January of 1945, and they said, "How much will you charge?" I said, "Look, I don't know what this is going to run into, but I will quote you a figure of \$200 a month, and we will see how much work I have to do, and then we will either up it or down it."

The COURT. You mean as a retainer?

The WITNESS. Yes, and they said, "we will let you know in a few days." Later they called me and said it is okay, so they brought me the bylaws of the Ohio corporation. They were printed and they said that is what they wanted. They said, "this is what we want you to set up here," so I started to draft the articles of incorporation, and I followed that pretty much word for word, except as to names, and so forth.

Mr. WATSON. Did you put down the same amounts per machine, per month, 30 cents?

The WITNESS. I think it is, but I wouldn't want to be positive about that. As I say, I drafted the articles, the bylaws were typed up practically by copying them.

Mr. WATSON. Did your Ohio pattern include the union tax you have?

The WITNESS. Yes, they have a union contract, industry-wide.

Mr. WATSON. Does it seem to you, Tom—possibly it is a very advantageous arrangement for the union, certainly, certainly, and as an operator, insofar as a nonprofit organization is concerned, it is commendable, it is a good way to

keep the boys within reasonable control, but its primary function is helping a union get richer than hell all of a sudden.

THE WITNESS. I can see where that might be.

MR. WATSON. It isn't a matter of so much dues per union member per month, it is a tax on doing business.

THE WITNESS. I can't be charged for the amount, because I have nothing to do with the union.

MR. WATSON. When these boys first brought the idea in, had they collaborated or talked it over with the union?

THE WITNESS. I don't think so, because we had quite an argument at the time on negotiating the contract. We had quite an argument as to what amount should be in there.

MR. WATSON. Do you know what the dues were being charged by the union previous to setting the fixed rates per machine per month?

THE WITNESS. No.

MR. WATSON. Any idea?

THE WITNESS. No.

THE COURT. Assuming you are taking a gross of \$2,000 a month, that is 30 cents from these gross boxes, ten percent, one-third is \$666, and one hundred percent is \$6,660 out of the invested capital of which the association and the union hasn't got a dime, and the take is \$6,660. On that basis, per month, that is on somebody else's capital.

THE WITNESS. Of course, Judge—

THE COURT. These fellows are tied right, and tied between the association and the union, and you are entitled, as I get it, to enough money in a non-profit-sharing corporation to break even.

THE WITNESS. Yes.

THE COURT. And carry on whatever program you have. If it requires a banquet at the Latin Quarter costing \$50 a plate, that's your business.

THE WITNESS. Yes.

THE COURT. If it calls for radio broadcast over WXYZ, that's all right.

THE WITNESS. Yes.

THE COURT. And the union would be entitled, if these fellows are organized to get legitimate union dues from each member of the organization.

THE WITNESS. Here are some things I have heard of, they have had a number of different times sent music boxes, records, out to Percy Jones Hospital, as I understand.

MR. GARBER. Once.

THE WITNESS. Once?

MR. GARBER. A second hand machine.

THE WITNESS. Just once?

MR. GARBER. Yes, worth about \$350.

THE COURT. I sent out at least one brand new typewriter.

THE WITNESS. I am not trying to testify, I am telling you what I know, what I have heard. I know at the Latin Quarter party they had, I think 20 or 30 boys from Percy Jones, and they paid all of the expenses in and out.

MR. GARBER. \$287.

THE WITNESS. You know more about it than I do.

By Mr. SCHEMANSKE:

Q. Let's look at the other end of the thing here, which Judge O'Hara ruled on and which has been referred to this Grand Jury. I cite a paragraph here from the bill of complaint which states, "that the defendants will not permit a person, such as the plaintiff, to enter the business of placing juke boxes upon the premises of others, to acquire by fair competitive means, locations available in Wayne County and environs, but compel persons such as the plaintiff, who desires to enter said business, to purchase a route or location from another juke box operator." Then the next paragraph states, "That plaintiff made application to join defendant's union in May 1946, and he was refused the right to join said union."—A. What case is that?

Q. That is the Vincent Meli case.—A. That's pending now?

Q. I understand Judge O'Hara signed an injunction in that matter.—A. No; the first injunction issued before Judge Callender in all three cases by way of restraining the union from doing certain things. There was nothing in there that bothered us, so I didn't even object to it or do anything about it, then Barnard brought some kind of action against the complainant and got a temporary injunction restraining them, and that didn't bother me. All three cases on that

basis were heard and adjourned for two weeks before Judge Callender. Then I was approached by Tony Ver Meulen, of Colombo's office, and he said, "will you stipulate to adjourn all these cases until September 17, and at that time we will try to put them on for trial," and I said "it's okay with me," and that's all I know. I filed an answer at the time. I don't know whether the case is supposed to be up for trial on the 17th or not, but in the meantime Ver Meulen did file, and I received a copy of a motion to advance.

Q. Let's take this allegation for a minute in this particular case, assuming here that Travis had just got back from the army, and his father-in-law wanted to advance him some money to go into the juke box business.—A. God help him.

Q. And he had a chance to go over here, let's take the worst one, Wurlitzer, he had a chance to buy 10 machines, and he bought them outright. There is no competitor in that particular field, because they are new customers, he secured these new customers, bought these machines, and placed them and filed his application with the union, and the union said, "no, we don't want you, because we don't like the way you look, the way you comb your hair, we don't like Wurlitzer either."

MR. WATSON. What hair?

By MR. SCHEMANSKE:

Q. He couldn't join the association unless the union put their okay on it, is that right?—A. No, he could join the association, but the moment he did, he would have to join the union.

Q. That's just it, you're putting it the other way around. If he filed an application with the union—A. If he filed an application with the union?

Q. We will assume they wouldn't accept him, they gave him no reason, they didn't like Wurlitzer.—A. That's not justified.

Q. Supposing that situation arose, could he become a member of the association?—A. Yes.

Q. He could become a member of the association?—A. Yes.

Q. Without having first been accepted in the union?—A. Yes.

Q. Not under your agreement?—A. He could if they belonged to the association and they would take him, but again he would have to go back to the union, and if they wouldn't accept him, no.

MR. WATSON. Then you say no.

THE WITNESS. We either have to breach our agreement with the union or say no to him.

THE COURT. Then isn't that it, if you breached your contract with the union, Travis then put the machines out, he would be fixed, isn't that what would happen?

By MR. SCHEMANSKE:

Q. Not only he, but the customers where they had the boxes placed, they would go out of business, because they couldn't get produce delivered.—A. The whole thing started from the fact the union would not accept him? I have no argument about that. They would accept him, and just like in the Bradley case, they took him in.

MR. WATSON. Doesn't it boil down to this, unless the union puts the blessing on him, say they are willing to accept him, he is, in effect, barred from your association?

THE WITNESS. Yes.

MR. WATSON. In this contract, in fact, your relations with the union, you are entirely subservient to the union?

THE WITNESS. Yes; to that extent.

MR. WATSON. And the union is the only one that can bless you or put the kiss of death on you.

THE WITNESS. Yes; but this isn't quite true of what the union situation is today.

THE COURT. How can you justify the union taking 70 cents per month per machine?

THE WITNESS. Judge, I have never justified it.

By MR. SCHEMANSKE:

Q. That was just my next question.—A. I understand whatever union dues they charge, they are commensurate with the dues of other unions. I don't know.



Q. Well, we will say this: Assuming that the tribute the union is asking is not based on individual members, but based on the product, the merchandise, could you justify that, in this particular case, 70 cents per month?—A. To be honest with you, I don't know.

Q. If you could, I would like to hear from you.—A. The basis of my understanding of it, it is based on a machine, so much per machine, because naturally the more work a man does, the more benefit he gets from that machine.

Q. Well, we will take a stamping machine out in the Hudson Motor Car Company, one man operating the machine, and this machine can turn out the same amount of product per day. Could the union justify the tribute on the product of that machine?—A. No; I don't think so.

Q. All right. Let's take a concrete example. Let's take the Marquette Music Company.—A. You mean the biggest one?

Q. As I have it here, they pay one of the largest fees.—A. Yes.

Q. And they have about 450 machines?—A. Yes.

Q. They have about 12 or 13 operators—not operators, repairmen, servicemen, collectors, whatever you want to term them. These individual collectors pay \$15 a month union dues; that's correct, isn't it?—A. Yes.

Mr. MOLL. Class A union members?

The WITNESS. Yes.

By Mr. SCHEMANSKE:

Q. In addition to that, the operator who is a class B member, must pay 70 cents a machine, and he would pay about \$139.

Mr. GARBER. You are wrong on that. Here is Marquette right here.

Mr. SCHEMANSKE. I took it from this one here.

Mr. GARBER. They have so many machines so they make it 70 cents a machine, and all of the employees pay \$15, and the Class B members are owners and they make up the balance so that the whole thing out of the whole corporation, they pay 70 cents a machine.

The WITNESS. You mean the operator makes up the difference?

Mr. GARBER. Yes.

By Mr. SCHEMANSKE:

Q. All right, we will assume that some company, call it Company E, who has 12 collectors and they have 450 machines, the employees or the collectors are classed as Class A members, and they have to pay \$15 per month. In addition to that, the operator pays 70 cents a machine, whatever the amount is. Now, what we are trying to analyze here is why the Class B member, the operator, has to pay 70 cents to the union, and for what purpose and what benefits are received?—A. Here is the story, and we had quite a battle on this, too, at the time we negotiated the contract. I am not really a labor—I don't like to use the term, labor relations man any more, because that has been messed up a little bit here lately.

The COURT. Yes, it seems that one or two of them did get tucked away for a while.

The WITNESS. I remember testifying before your Honor, and your Honor asked me, "what is your main type of work today," and I said, "some labor relations work." Do you remember that?

The COURT. No, I am sorry I forgot that, or I would have had you by this time, probably.

The WITNESS. You had better take that off the record, but the story is this: These men, so-called Class B members, are people who own machines, and do their own servicing.

Mr. GARBER. That isn't right, they are—

Mr. SCHEMANSKE. Just a minute, let him finish his statement.

The WITNESS. This is the way I understand it, and it is in the plan somewhere, a Class B member is a man who owns machines and does his own servicing. He doesn't have an operation that is large enough for him to hire somebody else, and that is the only argument that Bradley had, therefore he is taking the place of another service man who belonged to the union, and, therefore, the union is requiring this owner to belong to the union, but not with full rights of Class A members. I understand Class B members do not have any voting right.

Mr. GARBER. Just a member has voting rights?

The WITNESS. You get the point?

Mr. SCHEMANSKE. Yes.

Mr. GARBER. Let me ask one question, if I may

Mr. SCHEMANSKE. Go ahead.

Mr. GARBER. Here is how it works, and see if you can give us any argument for justification of it. We will take Marquette. We will say he has 8 men collectors and servicemen, each one of those men pays \$15 a month as dues to the union.

The WITNESS. Yes.

Mr. GARBER. He is one of the biggest in the outfit, he has 450 machines, so they will charge him dues of 70 cents a machine and against that they place six or eight men at \$15 a month, and the balance to make the 70 cents a machine is added or taxed on to the Class B member of \$46 a month dues. The two owners pay \$92 to make up 70 cents a machine, and they have 6 or 8 collectors and servicemen, so your former statement is incorrect.

The WITNESS. They are not supposed to charge that.

Mr. GARBER. They do, it is 70 cents a machine.

The WITNESS. It is news to me. I am telling you why they are supposed to charge the 70 cents rate to the Class B member.

Mr. GARBER. That is the argument of the union.

The WITNESS. The theory of the union is, as I explained, the man is taking the place of another man, yet he is an owner. And because he is taking the place of a workman, he must belong to the union.

Mr. GARBER. Well, if he is taking the place of a workman, then they ought to charge him the fee of the employee.

The WITNESS. Yes.

Mr. GARBER. But instead of that, you see it would run many, many times over, because they are laying tribute against a number of machines he is operating.

The WITNESS. The idea there being, I guess, the receipts from the number of machines has something to do with the rate. I don't know, as I never got into the whole case.

By Mr. SCHEMANSKE:

Q. Besides taking care of union membership and the revenue of the union members, are there any other benefits the union gives an operator?—A. I don't know about the union at all.

The COURT. How do you arrive at the figure of 30 cents per machine?

The WITNESS. I don't know, Judge.

The COURT. As a tax?

The WITNESS. They arrived at it themselves. I had no way of knowing, Judge. This was in January or February of 1945, and I had never had anything to do with the juke box business before. I don't think I even put a nickel in one at that time.

The COURT. But if the reasoning of the union, as you explained it, that reasoning wouldn't apply to the association, would it, because they get nothing.

The WITNESS. Not from the union. The association members had to charge something commensurate with the size of the operators, and the only way they could determine it was the number of machines he had.

The COURT. But when it turns out in practice, the charge is so excessive it rolls up a bank account, what about that?

The WITNESS. They have talked of putting on a publicity campaign. One of the arguments I have had with them, they haven't carried that out to the extent they should. As a matter of fact, Victor DeSchryver had that same argument with them, and they started putting out this little paper.

The COURT. Do you know whether the union has ever paid any money out—strike that, I don't mean the union. Do you know whether the association has ever paid any money out to the union?

The WITNESS. No, they didn't tell me at least. I wouldn't think so.

Mr. GARBER. Did you ever hear any rumors of collections being made other than the initiation fees and the dues?

The WITNESS. No, you mean payments to the union?

Mr. GARBER. No, has DeSchryver or anybody else gone around and taken up a special collection of any kind?

The WITNESS. No.

Mr. GARBER. From association members?

The WITNESS. No.

Mr. GARBER. In any sizable amount?

The WITNESS. No.

By Mr. SCHEMANSKE:

Q. Tom, do you know of any other state that has this same type of organization?—A. No, I don't. There have been inquiries. I think there was an inquiry

from California, and we sent them a copy of our bylaws, and there was an inquiry from some other place, and we did the same thing.

Q. Besides this one court where the decision was rendered, there are no other cases?—A. Yes, there was one in Youngstown decided in favor of the association.

Q. Do you have a copy of that decision?—A. No, not that one, but I have the Cincinnati one.

Q. Would you loan that to us?—A. Yes.

The COURT. What court is that in?

The WITNESS. It is the Circuit Court.

The COURT. The Court of Common Pleas?

The WITNESS. Yes, it is in Cincinnati. They have a chapter in Indianapolis, I believe, and in Cleveland, of course, in Youngstown, and I believe, some other cities. I am not sure.

The COURT. That case never went to the Supreme Court?

The WITNESS. No; your Honor.

By Mr. SCHEMANSKE:

Q. Was that the question of the \$500 bond?—A. Yes.

Q. Any other questions raised?—A. Yes; same charges we have here, conspiracy, monopoly, and so forth.

Q. I would like to see that.—A. Somewhat identical.

Q. Who was the action brought by?—A. One of the operators, similar to the situation we have here. I have never talked to them about it, but I heard about the decision, and I called Bill Rosendahl and asked him to send me a copy of it.

Mr. SCHEMANSKE. Well, I think that's about all I have.

The COURT. Any other information, Tom, you can think of?

The WITNESS. Judge, I have never heard or had any intimation at all that any of the officers have got any money. The officers are not supposed to get any money of any kind of the dues, nor are the board members.

The COURT. Who prepared the tax return?

The WITNESS. They have some auditor.

Mr. SCHEMANSKE. We have that.

Mr. MOLL. Would you explain, or did you explain the reason for having a state-wide organization and local chapters?

The COURT. He said they had it but did not explain it.

Mr. MOLL. What's the reason for the state-wide organization?

The WITNESS. The intimation of the higher corporation was that they could develop this, state by state. The state organization would cover an entire state, but they would have locals so they could work the things out in their own locality more according to their own particular individual setups.

Mr. MOLL. What is the principal problem of operators?

The WITNESS. Principal problems?

Mr. MOLL. Yes.

The WITNESS. Having a spot stolen. In other words, he has an agreement with a certain location—

Mr. MOLL. Hasn't the owner of the spot the lessee of the business, got something to say about that?

The WITNESS. He certainly has.

Mr. WATSON. Any way, isn't that price fixed—

Mr. MOLL. Pardon me, just a minute. If an owner of a spot or lessee or a box wants to put out one operator and take in another, why shouldn't he?

The WITNESS. He should, if he hasn't bound himself by an agreement.

Mr. MOLL. Why wouldn't they have recourse to the courts for a breach of that agreement?

The WITNESS. They should have.

Mr. MOLL. Why should any organization of operators be authorized to tell an owner of a spot or a lessee of a box, whether he can break a contract, and must litigate? You understand my question?

The WITNESS. I think I do.

Mr. MOLL. In other words, why should not the owner of a place, a location, who becomes a lessee of a music box, be free to choose what make box he wants, what operator he wants to deal with, subject to the same rights and penalties of any other contracting party?

The WITNESS. He should be, Judge. Now, the story that I have heard, they have had a lot of turmoil in this business in the past, somebody at one time or another would sell his entire operation to another company or customer, and everything else, and he would get good money for it, and very shortly he would

come back in the business and start taking every one of these places back without paying any money for them.

The COURT. He is protected by certain laws, isn't he?

The WITNESS. Yes, but that is the story they have. In other words, this business of who has the contract with the establishment has been a hot question. Now, the organization is founded on the theory there are certain ethics in trade based on the Federal Trade Commission regulations, and one of them is if A has a contract with B and C comes along and through improper methods induces B to break the contract with A, that is an unfair trade practice.

The COURT. He has his redress?

The WITNESS. Yes.

Mr. WATSON. If I sell cigarettes at 15 cents a package and you sell them at a lesser price than I to get the business of the Judge, lawfully, to get the business, you can argue that is unfair trade practice, but it isn't, it is the essence of our philosophy of business.

The WITNESS. Yes. But the Federal Trade Commission has ruled if you carry that to a point where you are willing to lose money to take the business away, that is a violation.

Mr. WATSON. That's right, but a chap has 10 boxes in a place, and he has them in there on, we will say a fifty-fifty basis, and Mr. Travis or Garber comes along and wants to make a deal with one of the owners of those 10 spots, to give that man sixty percent of the gross, there is nothing wrong with that, and again, I say, that is probably the very essence of our philosophy of business competition.

The WITNESS. Well, if the music boxes are just as attractive.

Mr. WATSON. The conditions, furnishings, everything, apparently of the same character. Now, why isn't Mr. Travis entitled to give away 10 percent of his profit to get the business?

The WITNESS. Yes, I see what you mean.

Mr. WATSON. Your very organization is designed to block that possibility?

The WITNESS. No, but instead of having recourse to the court, they agree to arbitrate the matter among themselves.

Mr. WATSON. That's the question, but to all practical intents and purposes this new man, or whoever wants to get more business with a better split to the owner of the spot, would immediately be prevented from doing business.

The WITNESS. By the union?

Mr. WATSON. By your organization.

The WITNESS. If he is a member; yes.

Mr. WATSON. If he is not a member, he can't join if he is known as a spot jumper or rate cutter, and if he can't join your association, he can't belong to the union.

The WITNESS. He has to belong to the union to be a member of the association.

Mr. SCHEMANSKE. What are the advantages of being in the association, if a man is willing, rather than being put out of the association, he is willing to pay a \$50 fine?

The WITNESS. What advantages?

Mr. SCHEMANSKE. Yes; why would he be willing to be fined, not only pay his dues, but be fined once in a while?

The WITNESS. To respect the contracts of all the other operators that are members of the same group.

Mr. TRAVIS. Tom, you take an example you selected yourself of an association member, who was by a sharp practice, taking the spot away from another association member. How about this example: Supposing a proprietor of an establishment decided, because of poor service, or something else, for some reason—

The WITNESS. The association is supposed to—

Mr. SCHEMANSKE. You are in a field now, brother.

The WITNESS. The association won't back a member up if he doesn't give service.

Mr. TRAVIS. Supposing the proprietor just decided on his own accord he wants to change.

The WITNESS. There is nothing wrong with his changing.

Mr. MOLL. What happens if he does?

The WITNESS. Because of lack of service?

Mr. TRAVIS. For any reason.

The WITNESS. Nothing.

Mr. SCHEMANSKE. If you have your brother, who is an operator, and you have another operator in your place, you can't give that business to your brother,

you can't get him to put in his machines, you must comply with that particular regulation; isn't that correct?

THE WITNESS. I don't quite get the example fairly enough, Frank.

MR. WATSON. I have been doing business with an operator of some store or saloon.

THE WITNESS. Yes.

MR. WATSON. And I have been doing business with that operator—say I own a restaurant, a saloon, or something like that—and my brother gets out of the army, and he wants to go into the business. I can't transfer my business to him until the first fellow takes his machine out.

THE WITNESS. Why not?

MR. WATSON. Because my brother would be thrown out of the association, he would be thrown out of the union, and he would be fined. That is the very last thing I could do.

MR. MOLL. And you would be picketed if you did.

THE WITNESS. Yes, I can see where the union would do that.

MR. SCHEMANSKE. The association considers the spot is worth so much.

MR. MOLL. Give the answer. The union considers a stop or spot as of so much value; does it?

THE WITNESS. I don't know that, Judge. I know an operator does.

MR. MOLL. I thought you just nodded "yes," that the union did.

THE WITNESS. Not to that question.

MR. SCHEMANSKE. Did I say union? I mean association. What is the value, what is the life of one of these juke boxes?

THE WITNESS. I don't know. I have heard they run three or four years.

MR. TRAVIS. Do the operators enter into a written contract with the proprietor of the establishment?

THE WITNESS. A lot of them do, I understand. As a matter of fact, I have prepared a contract which I insisted some time ago they have.

MR. TRAVIS. You mean a model contract?

THE WITNESS. One they could use.

MR. TRAVIS. How long do they run?

THE WITNESS. I have no definite period in the model I have prepared. They can make it run a month, six months, a year, or whatever they desire.

MR. TRAVIS. At the expiration of that period of time set forth in that contract, would the spot be considered an open spot?

THE WITNESS. I don't know. It's a question of the contract, the date of expiration.

(Discussion off the record.)

THE COURT. I think, Tom, for the time being, we will excuse you.

THE WITNESS. All right.

THE COURT. But you will be back again, if we need you.

THE WITNESS. Any time you want me.

THE COURT. All right; thanks a million.

(Witness excused.)

# STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the Commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, September 12, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Ralph Garber, Assistant Prosecuting Attorney; Mr. Samuel L. Travis, Special Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

9:10 p. m.

VICTOR J. DESCHRYVER, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GABER:

Q. What is your full name, please?—A. Victor Joseph DeSchryver.

Q. And where do you live?—A. 3449 Yorkshire.

Q. How old are you?—A. 28.

Q. Married or single?—A. Married.

Q. Living with your family?—A. Yes, sir.

Q. And you are in business?—A. Yes, sir.

Q. And what business are you in?—A. Juke box business.

Q. How long have you been in the juke box business?—A. Well, I have been in—associated with it about ten years.

Q. About ten years?—A. Yes, sir.

Q. Are you the owner or part-owner of that business?—A. At the present time I am the owner.

Q. Have you any partners?—A. In Marquette Music Company, I have no partners.

Q. Are you associated with anyone else in any business?—A. In Marquette Distributing Company, that's a stock corporation.

Q. You have what two businesses?—A. One does business as Marquette Music Company, the other as Marquette Distributing Company.

Q. What is the business of Marquette Music Company?—A. The business of Marquette Music Company is to place phonographs in restaurants, taverns, on a lease or rental basis.

Q. What is Marquette Distributing Company?—A. Marquette Distributing Company is a distributing company, a factory representative, manufacturer's agent, that sells to the operators in the state.

Q. What type boxes do you sell?—A. We sell the Aireon.

Q. And you say you have stock in that corporation?—A. Yes, sir.

Q. And who are the stockholders of the Marquette Distributing Company?—A. Myself, my uncle, Mr. Al DeSchryver, and Mr. Tom Kinsworthy.

Q. And in the Music Company: is that a corporation?—A. That's a corporation, too; just recently incorporated.

Q. Who are the officers of that corporation?—A. Myself, Mr. Morgan O'Connor.

Q. What position do you hold?—A. The office of president and treasurer.

Q. What is the other gentleman's name?—A. Mr. Morgan O'Connor.

Q. Mr. Morgan O'Connor, what office does he hold?—A. Vice president.

Q. How is the stock distributed in that?—A. There is no stock distribution. I hold the entire—it is a closed corporation.

Q. You hold it all?—A. Yes, I just recently acquired the assets of that company from my uncle, who originally was my partner.

Q. Originally it was a partnership. Now you are incorporated and you are the sole owner of the corporation?—A. That's correct.

Q. How many machines do you have in the Marquette Music Company?—A. The exact count I can't give you.

Q. Well, to the best of your knowledge.—A. About 450, sir.

Q. About 450; and where are they placed—in what territory are they placed?—A. In the metropolitan Detroit area, sir.

Q. Metropolitan Detroit. You don't have any—A. They may extend to Oakland County, some out in Macomb County.

Q. Any in Monroe?—A. None down as far as Monroe, sir; Wyandotte, Trenton, Ecorse.

Q. And are they all in open legitimate businesses, or do you have any of them that are in flats or homes?—A. No, sir. Every phonograph we own is in an open legitimate business place.

Q. Now, you are the secretary and treasurer of the—what is it—Automatic—A. Of the association.

Q. What is the name of it?—A. I guess it's Michigan Automatic Phonograph Owners.

Q. Association, Incorporated, is that right?—A. That's right, sir.

Q. How did your association come into being?—A. Originally, by the meeting of a group of operators, who desired to form the association.

Q. Who were the moving parties in that? You were one of them; were you not?—A. I was one of the operators originally in it; yes.

Q. Mr. Brilliant?—A. Mr. Brilliant; yes.

Q. Who else?—A. Mr. Siracuse, Mr. Goldman, Mr. Alluvat.

Q. Who?—A. Mr. Alluvat.

Q. Alluvat.—A. It's Alluvat.

Q. I see.—A. Mr. Patton—offhand, I can't recall. Those are the ones more familiar to me at the present time.

Q. How did you become acquainted with this particular set-up as you have it now in this association?—A. This association?

Q. Yes.—A. Well, actually it is an outgrowth of the previous associations that had come into being.

Q. Well, it is a take-off on a Cleveland outfit; isn't it?—A. Well, it's patterned—the association is patterned after the Cleveland association, that's true.

Q. Well, who heard about this Cleveland association?—A. Well, that's what I began to lead up to before, sir. Originally, as I recall, back in former days, it was felt there was a need for an association, and there were associations that came into being that were, frankly, absolutely no good, and it was a sincere desire on the part of the operators, the principal operators in the town to found something that was good for the business and give it some stability, and they began studying the various associations throughout the country. Now, of all the associations we did study, the Cleveland association seemed to be the best. I mean, it had been in existence for a good number of years at the time we became acquainted with it, and it seemed to answer most of the problems that confronted the operators.

Q. Do you recall who suggested the study of this Cleveland outfit?—A. Offhand, sir; no.

Q. Well, what did you do then to promote it along this line that you now have it?—A. What do you mean, sir?

Q. Well, who incorporated it? How did it get started here? After you gentlemen made this study, how did you go about bringing it into being?—A. Well, Mr. Leo Dixon, of Cleveland, he was an officer of the Cleveland association, and he helped us to a great extent, and we patterned our bylaws, code of ethics, and rules, principally after it. In fact, I would say, almost verbatim what they have.

Q. Do you recall when the corporation came into being?—A. Oh, I would say approximately two years ago, sir.

Q. I will refresh your memory. Was it about January 15, 1945?—A. Well, it was the early part of a year, yes. As I say, it was about two years ago—around that time.

Q. At that time were you elected an officer?—A. No, sir.

Q. Who was the secretary-treasurer at that time?—A. Mr. Patton.

Q. And when did Mr. Patton leave as secretary and treasurer?—A. I don't think it's quite a year.

Q. Well, you were elected secretary and treasurer to take his place, were you not?—A. Well, I was appointed by the board, yes, or elected.

Q. Appointed or elected by the board?—A. Yes, sir.

Q. Do you recall what the Cleveland association charged per machine, owner, or for each machine operator, down there, down in Cleveland?—A. No, sir; I don't.

Q. How did you arrive at 30 cents a machine?—A. That was approximately what we thought it would take to run the association, sir. I mean, at the time, it was an estimate.

Q. An estimate, and how much are you taking in a month now from that 30 cents a machine?—A. Exactly, I couldn't tell you. I mean, the books would reflect what that amount is. I would say approximately somewhere in the neighborhood of \$1,500 a month.

Q. It could be nearer \$2,000?—A. It may be, sir; I don't know.

Q. You are the treasurer, are you not?—A. Yes, I am.

Q. How much do you have in the bank?—A. That I don't know, sir.

Q. This is known as Chapter 1, this territory, isn't it, under the state set-up?—A. That's correct.

Q. And there's two chapters at the present time?—A. Yes, sir.

Q. And the other chapter is a territory around Muskegon?—A. That's correct, sir.

Q. And the chapter here contributes ten cents on each machine to the state organization?—A. That's correct, sir.

Q. And the Muskegon chapter is supposed to do the same?—A. That's correct, sir.

Q. Do you know whether it does or not?—A. I don't think they are up to date in their contributions.

Q. How long since they made a contribution to the state organization?—A. Actually, I couldn't tell you, sir.

Q. Don't you ever check the books at all to see your financial condition?—A. That's a good question.

Mr. WATSON. Is he treasurer?

Mr. GARBER. Yes, secretary-treasurer.

Mr. WATSON. Don't you know how much they have got?

Mr. GARBER. He is not very up to date on their sums here.

Mr. WATSON. Would you like to take a guess at it?

The WITNESS. At what?

Mr. WATSON. How much money you have?

The WITNESS. I said I didn't know, sir.

Mr. WATSON. Do you want us to tell you? Do you want us to show you your books? Let's look. Which book will tell you? Do you keep these books?

The WITNESS. No, sir, I don't.

Mr. GARBER. How long since you have seen them?

The WITNESS. The books are kept by Mr. Kinsworthy.

Mr. WATSON. Cash in bank, what does it say, as of August 31st?

The WITNESS. \$5,841.01.

Mr. WATSON. All right, let's not guess. There's the figure.

By Mr. GARBER:

Q. Do you know how much is in the state account?—A. No, sir, I don't.

Q. Do you ever pay any attention to this cash?—A. Well, this is a sidelight to the actual point at hand.

Q. No, it isn't.—A. I mean, my thought right now. Actually, because of the two businesses that I run, I am not in position to devote too much time to this.

Q. But you are responsible for the funds?—A. Yes, sir, I am responsible.

Q. Do you sign the checks?—A. Yes, sir, I do.

Q. Well, what is to be done with this \$5,000 or \$7,000 that you have in the two accounts?—A. Well, it will accumulate. The only thing that can be done with it is to give it away for charitable purposes.

Q. Have you made any charitable gifts?—A. Yes, there have been some.

Q. What are they?—A. I can't remember all of them, sir.

Mr. WATSON. What is the designation of the ledger account for charitable gifts, do you remember?

The WITNESS. No, sir, I don't.

Mr. WATSON. Could you tell by looking at this book?

The WITNESS. No, sir, I couldn't.

Mr. WATSON. Who could?

The WITNESS. Mr. Kinsworthy could.

By Mr. GARBER:

Q. Who is Mr. Kinsworthy?—A. Mr. Kinsworthy, he's an accountant for Amick and Spicer.

Mr. WATSON. Well, now, look, you have a ledger account for all your expenses here, salaries and wages, promotional expense, telephone and telegraph, office supplies, postage, taxes and payroll, general taxes, rent, electricity, dues to the state association, travel and entertainment, legal fees, accounting fees, miscellaneous expense. Where would it be—dues and subscriptions, donations—

Mr. GARBER. What donations are reflected there?

Mr. WATSON. Would it be under donations?

The WITNESS. I imagine that would be it.

Mr. WATSON. That's your account 77, and you show a total from the time you opened this account, June 30th, 1945, down to date, of \$275.85.

The WITNESS. That's correct.

Mr. WATSON. That's the extent of your donations and charitable bequests.

By Mr. GARBER:

Q. How much do you pay into this a month? Marquette Music Company?—A. Thirty times the number of phonographs we have.

Q. Do you know how much that amounts to?—

Mr. WATSON. Has anybody ever talked about cutting down the basis under which you collect?—A. I imagine it would be about \$200.

By Mr. GARBER:

Q. What's that?—A. About \$200.

Q. A month?—A. Yes, sir.



Q. What do you get for it?—A. A certain amount of good will out of the association, sir.

Q. Good will; is that all?—A. We get—well, I don't know, that's a long story, what we actually get out of it, sir.

Q. Well, what do you get?—A. To boil it right down to specific things, it's a hard thing to explain. But actually, they are a group of operators together that can combat the common problems we have in the business.

Q. What are your common problems?—A. Legislation is one of them, sir.

Q. What kind of legislation?—A. Tax legislation.

THE COURT. Did you contribute any money to bribe those fellows who are now on trial, victims of a Grand Jury investigation?

THE WITNESS. No, sir.

By MR. GARBER:

Q. Did you bribe any of the councilmen?—A. No, sir.

Q. The councilmen here in the city, when this ordinance was being passed?—A. No, sir.

THE COURT. What are you rolling up this big sum of money for?

MR. MOLL. How do you interest yourself in this legislation you talk about?

THE WITNESS. Well, for example, in the last ordinance when they began to pass the ordinance in the city of Detroit—

MR. MOLL. What did you do about it?

THE WITNESS. Mr. Jim Haggerty saw fit to charge us a fee of \$1,500 to represent us.

THE COURT. Who is he?

THE WITNESS. A lawyer who represented us as counsel.

THE COURT. Misrepresented you?

THE WITNESS. He represented us.

MR. WATSON. What did he do? What was the ordinance supposed to be, to increase the amount of what you were to pay as a license?

THE WITNESS. It was the original license.

MR. WATSON. How much is that now?

THE WITNESS. \$7.50.

MR. WATSON. A year?

THE WITNESS. A year, per phonograph, or per location, actually.

MR. WATSON. Did they propose to raise that?

THE WITNESS. Not at the time. The initial proposal was \$15.

MR. WATSON. Did you think that was too much money, \$15?

THE WITNESS. Yes, we did.

MR. WATSON. Something to fight—you had a legitimate squawk coming on it?

THE WITNESS. Yes, sir.

MR. WATSON. You thought \$7.50 was enough?

THE WITNESS. Actually, we thought \$5 was enough.

MR. WATSON. However, you join into a voluntary agreement to pay twelve times seventy cents on each machine to the union, and what was done about cutting that down? Did you hire Mr. Haggerty for that?

THE WITNESS. Would you repeat that, please?

MR. WATSON. Well, you pay \$8.40, let's say—\$8.40 a year for each machine, or each location, to the union, which is far more than you pay the city of Detroit for your license for each machine. Did you feel that was prohibitory?

THE WITNESS. Well, that's something we can't control, sir.

MR. WATSON. Why can't you? There's more chance of controlling that than there is to change the mind of a legislative body, isn't there?

THE WITNESS. Well, that I wouldn't know.

MR. WATSON. You are an officer of the association?

THE WITNESS. This I do know, sir, in the history of the time I have been in business, that there have been—unions have sprung up in our business that we can't eliminate.

MR. WATSON. I am not talking about eliminating them. We are talking about how much tribute you pay to them. You say you thought \$5 would be enough to pay to the city for annual license fee?

THE WITNESS. That's right.

MR. WATSON. But you don't blink about paying the union 70 cents per each machine.

THE WITNESS. Yes; we do blink.

Mr. WATSON. You don't blink very audibly.

The COURT. How much do you pay the city every year, \$10?

The WITNESS. \$7.50 per machine.

The COURT. How much do you pay the federal government?

The WITNESS. \$10.

The COURT. Per machine?

The WITNESS. Yes, sir.

The COURT. For every machine you have?

The WITNESS. Yes, sir.

The COURT. So it's \$17.50 you pay—

Mr. WATSON. And the union \$8.40.

The COURT. You pay that every year for each machine.

The WITNESS. For each location, sir. It can be more than that. The fee can be levied more than once on the same machine. If we move it from location A to location B, we pay the \$7.50 again. If we move it to location C, we pay it again.

By Mr. GARBNER:

Q. Which account was this \$1,500 paid out of to Jim Haggerty?—A. I don't recall whether it was paid out of this association or—

Q. Where did the money come from?

Mr. WATSON. It isn't reflected in your account for legal fees.

By Mr. GARBNER:

Q. Did you go out to raise some money to take care of Jim Haggerty on that from the members of the association?—A. Well, sir, I actually believe the money paid Jim Haggerty was in the association.

Q. Did you get out and raise some money for Jim Haggerty outside the association dues?—A. I don't believe so.

Q. You ought to know. Did you or didn't you? Did you get out and raise a sum of money from these fellows that operate these boxes?—A. I don't remember, sir.

Q. You would remember if you want out and raised some money, wouldn't you, a good-sized sum of money, got different fellows to contribute money to you?—A. Yes, sir, I should.

Q. Did you do it?—A. On that particular item, I don't remember it, sir.

Q. On what item did you go out and raise some money for other than the association money?—A. Other than the association money?

Q. Yes.—A. At the inception of this association, sir.

Q. How much did you raise at that time?—A. \$5,000.

Q. For what?—A. For the initial—for this association when it started.

Q. What did you do with that money?—A. I still have it with the exception of about two hundred and twenty-five or fifty dollars.

Q. Where is it now?—A. I have it, sir.

Q. Where?—A. In my safety deposit box.

Q. What for?—A. Because I never saw fit to use it for—

Q. Where is this safety deposit box?—A. In the Wabek Bank.

Q. In whose name?—A. My name, sir.

Q. And who do you raise it from?—A. From the initial men that formed this association.

Q. What men?—A. Some of the men that I mentioned.

Q. Well, how much did they contribute?—A. On an average about \$650 a piece.

Q. How much did you contribute?—A. A similar amount, sir.

Q. Why? What was the purpose of it?—A. Because we didn't know how successful this association was going to be, whether it would pay its own way.

Q. What was the sales talk you gave them when you raised the \$5000? What did you tell them you raised it for?—A. Well—

Q. Well, what did you tell them when you came up? You didn't say give me \$650, take the money and walk out.—A. Well, it was more by mutual agreement by all of them.

Q. Where did you have this agreement? Where did you reach it? Where were you?—A. I believe at the time in the Maccabees Building, sir.

Q. That was before—is that the time, just about the time the union was coming in, that you were going to be organized? Is that about the time you were having some trouble with the union?—A. We had been organized away long before that under various unions.

Q. What unions have you been in?—A. AFL, CIO.

Q. The first time you were in the union, what were your dues in the AFL?—  
A. I don't recall, sir.

Q. Well, were they less or more than they are now?—A. They may have been more, may have been less. I don't remember, sir.

Q. Well, what were they when you were with the CIO?—A. I don't remember.  
Q. Well, you paid them, didn't you?

The COURT. Let me put a couple of questions: Where you brought up?

The WITNESS. Detroit, sir.

The COURT. How old are you now?

The WITNESS. 28, sir.

The COURT. 48?

The WITNESS. 28.

The COURT. How far through school did you go?

The WITNESS. Second year college.

The COURT. What college?

The WITNESS. University of Detroit.

The COURT. University of Detroit?

The WITNESS. Yes, sir.

The COURT. In the College Department?

The WITNESS. Yes, sir.

The COURT. Not in the professional school?

The WITNESS. No, sir.

The COURT. When did you leave college?

The WITNESS. About 1937.

The COURT. 1937?

The WITNESS. Yes, sir.

The COURT. How long have you been in this business?

The WITNESS. Well, I worked at it when I was going to school, sir. After I left school, I continued in it with my uncle.

The COURT. Was your uncle in it ahead of you?

The WITNESS. Yes, sir.

The COURT. You are married now, aren't you?

The WITNESS. Yes, sir.

The COURT. Children?

The WITNESS. Three.

The COURT. How many?

The WITNESS. Three.

The COURT. Three?

The WITNESS. Yes, sir.

MR. WATSON. You never showed this fund you are talking about, on the books of the organization, did you?

The WITNESS. No, sir.

MR. WATSON. Why not let's take our hair down. There's nothing to hide here. After all, this Grand Jury is going to get at the facts and you might just as well toss them out here, and let's look at them.

The WITNESS. I am trying to give you answers for this, sir.

MR. WATSON. Why wasn't this money put with the accounts of the association, if it was raised for the association? Your story was, the money was gotten together because you didn't know how successful this nonprofit organization was going to be, and you were going to have a backlog.

The WITNESS. Yes, sir.

MR. WATSON. The best place for a backlog is in your bank account?

The WITNESS. Yes, sir.

The COURT. And in the name of the corporation, not in your name or private deposit box in the Wabcock Bank?

The WITNESS. Yes, sir.

MR. WATSON. Let's quit kidding ourselves.

The WITNESS. After the association started, it received so much good acceptance, it wasn't necessary.

MR. WATSON. Why didn't you take the money back and give it back to these gentlemen?

The WITNESS. Well—

MR. WATSON. Could you show me where, in the minutes of this corporation, there is authorization granted to go around and make this collection?

The COURT. Who owns this money now?

The WITNESS. Pardon, sir?

The COURT. Who owns the money? Whose is it?

The WITNESS. It belongs to the men who originally gave it.

Mr. MOLL. Just list those names and amounts. Take all the time you want. Tell us who gave you so much, and how.

By Mr. GARBER:

Q. Start with yourself. You gave how much?—A. \$650.

Q. Cash or check?—A. Check, sir.

Mr. MOLL. Whose check?

The WITNESS. Company check.

By Mr. GARBER:

Q. That's the Marquette Music Company?—A. Marquette Music Company, sir.

Mr. MOLL. Approximately what date?

Mr. WATSON. Well, if it will help you, this was organized the early part of January 1945.

Mr. GARBER. The 15th of January.

Mr. WATSON. The 9th.

Mr. GARBER. Then we have it set up here as being——

The COURT. This is off the record.

(Discussion off the record.)

By Mr. GARBER:

Q. Who else gave \$650?

Mr. MOLL. Let's get the date of the check. What's the date of the Marquette check?

The WITNESS. I don't recall the exact date, sir.

Mr. MOLL. You'd better.

The COURT. Where is the cancelled check now?

The WITNESS. I imagine it will be among the records of the Marquette Music Company.

Mr. WATSON. Who was the check payable to?

The WITNESS. Cash.

Mr. MOLL. Who endorsed it?

The WITNESS. I did.

Mr. MOLL. You endorsed the check?

The WITNESS. Yes, sir.

Mr. MOLL. What did you do with the money?

The WITNESS. I put it in my safety deposit box.

Mr. MOLL. It's there now?

The WITNESS. Yes, sir.

Mr. MOLL. That's \$650?

The WITNESS. Yes, sir.

The COURT. Where is the box?

The WITNESS. Wabek Bank, sir.

Mr. MOLL. What is the number of it?

Mr. WATSON. Have you got your key with you?

The WITNESS. I think so, sir.

The COURT. You mean, the main bank here, downtown here?

The WITNESS. No, up on Woodward and the Boulevard, sir.

Mr. WATSON. The Fisher Building. What's the box number?

The WITNESS. 2953.

Mr. MOLL. When did you take that box out?

The WITNESS. Oh, it's two or three years ago, two and a half.

Mr. MOLL. Approximately what date?

The WITNESS. I don't know, sir.

Mr. MOLL. What's the last time you were in it?

The WITNESS. Oh, it's been a couple of months, I guess, since I have been in it.

Mr. MOLL. At least two months. All right, what other money did you get from any other source in cash or checks? Take all night, if you want to. Now, tell us.

The WITNESS. Well, from Mr. Patton.

Mr. MOLL. Personal check?

The WITNESS. Either personal or company check, sir.

Mr. MOLL. What is his company?

The WITNESS. Patton Music Company.

Mr. MOLL. What's his first name?

Mr. WATSON. G. M. What does G stand for?

The WITNESS. Gerhardt.

Mr. MOLL. How much was that check?

The WITNESS. \$650.

Mr. MOLL. Who was it payable to?

The WITNESS. Cash.

Mr. MOLL. Who endorsed it?

The WITNESS. He did.

Mr. MOLL. What did he do with the money?

The WITNESS. I cashed all the checks, sir. They were made payable to cash, and endorsed by the man that wrote them, and I cashed the checks.

Mr. MOLL. All right. That's \$1300. Who else?

The WITNESS. Well, let's see. Mr. Patton, myself, Mr. Alluvot, Frank Alluvot.

The COURT. Who is Alluvot?

The WITNESS. Alluvot Music Company—Frank's Music Company.

Mr. GARBER. What?

The WITNESS. Frank's Music Company.

The COURT. How much did he give?

The WITNESS. The same amount, sir.

The COURT. \$650?

The WITNESS. \$650.

The COURT. How payable?

The WITNESS. In the same manner, sir.

The COURT. All the same way?

The WITNESS. Yes, sir.

The COURT. Payable to cash? And endorsed by the maker of the check?

The WITNESS. Yes, sir.

By Mr. GARBER:

Q. Did you endorse it, too?—A. Yes, sir.

Q. And you got the money?—A. Yes, sir.

Mr. WATSON. Who else?

The WITNESS. Anthony Sirocuse.

Mr. WATSON. That's S-i-r-o-c-u-s-e?

By Mr. GARBER:

Q. How much?—A. The same amount, sir.

Q. \$650?—A. Yes, sir.

Q. Payable to cash?—A. Yes, sir.

Q. Endorsed by him?—A. Yes, sir.

Q. Endorsed by you?—A. Yes, sir.

Q. Cashed by you?—A. Yes, sir.

Q. And you received the money?—A. Yes, sir.

Mr. WATSON. Were all these checks given you after the formation of the association?

The WITNESS. Approximately that time; yes, sir.

Mr. WATSON. Well, was it before or after Mr. Pressman was up and spoke to the meeting, the organizers, do you remember that?

The WITNESS. Yes, sir.

Mr. WATSON. It was after that?

The WITNESS. No, sir. It was prior to that.

Mr. WATSON. Prior to that. Now, who was Mr. Pressman—Presser—William Presser? Do you remember him?

The WITNESS. Yes, sir.

Mr. WATSON. He was the business agent of the union of the local in Cleveland, right?

The WITNESS. Yes, sir.

Mr. WATSON. He came up with Leo Dixon, who was the president of the Ohio association?

The WITNESS. Yes, sir.

Mr. WATSON. At your invitation, and to explain the experiences of the Ohio association?

The WITNESS. Yes, sir.

Mr. WATSON. And helped you to put the plan in effect in Michigan here?

The WITNESS. Yes, sir.

Mr. WATSON. Did they suggest getting together this fund as being something handy to have, Presser and Dixon?

The WITNESS. Yes, sir.

Mr. WATSON. Did they say that it was the way they had done it in Cleveland?

The WITNESS. I don't recall if they indicated that.

Mr. WATSON. Who was present from the local union when they attended your meeting and told you how the plan operated?

The WITNESS. I don't believe there was anyone, sir.

Mr. WATSON. Well, this is a set-up between the operators and the union. You have the representative from the union in Cleveland to tell you boys how to operate it here. Who was here from the union here, to give it a blessing, criticize it, or agree to it?

The WITNESS. Well, Mr. James was.

Mr. WATSON. James was at the meeting, wasn't he, when Presser was here?

The WITNESS. The only meeting I know of he attended, sir, was the contract meeting, to negotiate the contract.

Mr. WATSON. James, you mean?

The WITNESS. Yes, sir.

Mr. WATSON. He didn't attend the meeting with Presser?

The WITNESS. I don't recall that he did, sir.

By Mr. GARBER:

Q. Was Mr. Hoffa there?—A. No, sir.

Q. Mr. Brennan?—A. No, sir.

Mr. WATSON. All right, let's go back and finish out this list of contributors. You have three of them there. I think.

Mr. MOLL. Four of them.

Mr. WATSON. All right, who are the rest?

The WITNESS. Mr. Brilliant.

Mr. GARBER. That's the present president?

The WITNESS. Yes, sir.

Mr. WATSON. What is his company?

The WITNESS. Brilliant Music.

Mr. MOLL. Who else?

Mr. WATSON. The same deal, \$650 check to cash, cashed by you, you got the money?

The WITNESS. Yes.

Mr. WATSON. Who else?

The WITNESS. Morris Goldman.

The COURT. What's his firm?

The WITNESS. The Goldman Music.

Mr. GARBER. Who else?

Mr. WATSON. Sam Ciaramitaro?

The WITNESS. Yes, sir.

Mr. WATSON. \$650?

The WITNESS. No, sir.

Mr. WATSON. How much?

The WITNESS. Either two and a quarter or two and a half.

Mr. WATSON. Is he a small operator or just wouldn't go along with the \$650?

The WITNESS. I guess he just wouldn't go along with the \$650.

Mr. WATSON. A check to cash?

The WITNESS. Yes, sir.

Mr. WATSON. What is his company?

The WITNESS. I believe he calls it Sam's Music.

Mr. WATSON. You got the money?

The WITNESS. Yes, sir.

Mr. WATSON. Schweitzer, do we have him?

The WITNESS. Al Schweitzer.

Mr. WATSON. Albert?

The WITNESS. Albert Schweitzer.

Mr. WATSON. How much?

The WITNESS. \$650.

Mr. WATSON. A check to cash, you got the money?

The WITNESS. Yes, sir.

Mr. WATSON. Frank Alluvot.

The WITNESS. You mentioned him.

Mr. MOLL. Who?

Mr. WATSON. Frank Alluvot?

Mr. MOLL. We haven't got him.

The WITNESS. Frank's Music.

Mr. MOLL. Frank's Music?

The WITNESS. Alluvot is the name.

Mr. WATSON. A-l-l-u-y-o-t. \$650 there?

The WITNESS. Yes, sir.

Mr. MOLL. Who was the last one?

Mr. WATSON. Have you Goldman, Sirocuse, Patton, Brilliant, DeSchryver, Ciaramitaro, Schweitzer, Alluvot?

The WITNESS. And Ed Carlson.

Mr. WATSON. What's the name of his company?

The WITNESS. Carlson Music.

Mr. WATSON. \$650?

The WITNESS. That was either two hundred and fifty or two and a quarter.

Mr. WATSON. A check to cash. You got the money?

The WITNESS. Yes, sir.

Mr. WATSON. Miami Distributing Company, did they come in?

The WITNESS. No, sir.

Mr. WATSON. Lincoln Music Company?

The WITNESS. No, sir.

Mr. WATSON. Playmaster Music Company?

The WITNESS. No, sir.

Mr. WATSON. Vasil Music Company?

The WITNESS. No, sir.

Mr. WATSON. Gustafson Music Company?

The WITNESS. No, sir.

Mr. WATSON. Master Music Company?

The WITNESS. No, sir.

Mr. WATSON. Gerhard Woberman?

The WITNESS. No, sir.

Mr. WATSON. Lincoln Vending Company.

The WITNESS. No, sir.

Mr. WATSON. Associated Coin Machine Company?

The WITNESS. No, sir.

Mr. WATSON. Dictor Music Company?

The WITNESS. No, sir.

Mr. WATSON. Associated Coin Machine Company?

The WITNESS. No, sir.

Mr. WATSON. Dictor Music Company?

The WITNESS. No, sir.

Mr. WATSON. Besk Music Company?

The WITNESS. No, sir.

Mr. WATSON. Williams and Taber Music Company?

The WITNESS. No, sir.

Mr. WATSON. Rothis Music Company?

The WITNESS. No, sir.

Mr. WATSON. J. L. Osier?

The WITNESS. No, sir.

Mr. WATSON. Lapeer Music Company?

The WITNESS. No, sir.

By Mr. GARBET:

Q. How much have you got in the box up there?—A. Oh, I must have about \$20,000 in cash, sir.

Q. Is this all association money?—A. No, sir.

Q. How much of that is association money?—A. Just that amount there, sir.

Q. How much is it?—A. Well, actually the \$5,000, sir.

Q. You gave us a different amount than that a while ago. How much did you say you collected, five thousand and how much?—A. \$5,000.

Q. Just \$5,000?—A. Yes, sir.

Q. Even money?—A. Yes, sir.

The COURT. What is the balance of \$15,000? Whose money is that?

The WITNESS. Mine, sir.

The COURT. Your own money?

The WITNESS. Yes, sir.

The COURT. Where did you get it?

The WITNESS. From the proceeds of my business of Marquette Music. It's an accumulation.

The COURT. It is in the box, in cash?

The WITNESS. Yes, sir.

Mr. WATSON. How is that association money segregated? Is it in a separate envelope?

The WITNESS. No, sir; it's all together.

The COURT. What was the purpose of collecting that \$5,000?

The WITNESS. Pardon, sir?

The COURT. What did you collect it for, what was the purpose?

The WITNESS. Originally for the—just to safeguard the success of the association.

The COURT. But you never used it.

The WITNESS. No, sir.

The COURT. You don't need it now?

The WITNESS. No, sir.

The COURT. Why didn't you give it back again?

The WITNESS. It will be given back, sir.

The COURT. When are you going to give it back?

The WITNESS. Give it back most any time.

The COURT. I mean, outside the Grand Jury, when did you expect to give it back?

The WITNESS. Well, I have given back two hundred and some. I have given Mr. Carlson back his money.

Mr. WATSON. When?

The WITNESS. That's quite some time ago. He came and asked for it back.

The COURT. How much money did you give the union agents?

The WITNESS. None, sir.

The COURT. Are you sure of that?

The WITNESS. Yes, sir.

By Mr. GARBET:

Q. Now, you presented all these checks to the union, and the union wouldn't take it when it was in checks, isn't that true?—A. No, sir.

Q. Didn't you ever present that to the union, and the union wouldn't accept it because it was in checks?—A. No, sir.

Q. Did you ever offer the money to them after you cashed it?—A. No, sir.

Q. Now, now, come, come, you offered that in checks first to the union?—A. No, sir.

Q. After you raised this money and they threw you out because it was in checks and they wouldn't take it?—A. No, sir.

Q. That's why it was made in cash, wasn't it?—A. No, sir.

Mr. MOLL. Did you ever tender them one check?

The WITNESS. No, sir.

Mr. MOLL. One check?

The WITNESS. No, sir.

Mr. MOLL. Did you ever address an envelope in connection with this money?

Mr. WATSON. Remember, you are under oath.

Mr. GARBET. And you're in a bad fix now, if you don't tell the truth.

Mr. WATSON. Your future depends on giving truthful answers.

Mr. MOLL. Did you ever address an envelope?

The WITNESS. To who, sir?

Mr. MOLL. I am asking you in connection with this money?

The WITNESS. No, sir.

Mr. MOLL. You never did. No money, no checks were contained in any envelope?

The WITNESS. No, sir.

Mr. MOLL. As far as you know?

The WITNESS. No, sir.

Mr. MOLL. You know what I am talking about?

The WITNESS. No, sir; I don't actually.

Mr. MOLL. But you never put any of these checks in an envelope addressed to anybody?

The WITNESS. No, sir.

Mr. MOLL. You have none of them now?

The WITNESS. No, sir.

Mr. MOLL. You never tendered any checks to James, Hoffa, or Brennan?

The WITNESS. No, sir.

Mr. MOLL. You're sure of that. That's the way you want your answer to stand?

The WITNESS. With one exception, yes.

Mr. MOLL. What's the exception?

The WITNESS. Well, I have loaned some money to Mr. James.



By Mr. GARBER:

Q. How much?—A. I have loaned him \$5,000.

Q. When was that?—A. That was several months ago, sir.

Q. Did he pay it back?—A. He's paid back a portion of it, yes.

Q. How much?—A. \$3,000, sir.

Q. How did you happen to loan it to him?—A. He wanted to buy a house, sir.

Q. What about the car?

Mr. MOLL. Cadillac car?

The WITNESS. I know nothing about that, sir.

Mr. MOLL. You know he has got a Cadillac?

The WITNESS. No, sir; I don't.

Mr. MOLL. Do you know how it was bought?

The WITNESS. No, sir, I don't.

The COURT. What security did he give you for the \$5,000?

The WITNESS. A note, a promissory note.

The COURT. Signed by him?

The WITNESS. Signed by him and his wife.

The COURT. Any collateral to support the note?

The WITNESS. No, sir.

Mr. WATSON. Where is the note?

The WITNESS. I have it, sir.

Mr. WATSON. With you?

The WITNESS. No, sir.

Mr. WATSON. Where?

The WITNESS. In my office on Woodward.

The COURT. Why didn't you put that in the safety deposit box?

The WITNESS. I don't know, sir.

Mr. WATSON. When did he come to you for this money?

The WITNESS. At the time that he moved from his home out on the east side to the west side.

Mr. WATSON. Where is this house?

The WITNESS. It's up near Northville somewhere, sir.

Mr. WATSON. Near Northville?

The WITNESS. Yes, sir.

Mr. WATSON. Out Grand River way?

The WITNESS. Yes, sir.

The COURT. What did he pay for the house?

The WITNESS. As I recall, he said it would cost about \$25,000, sir.

The COURT. What did he pay down on it?

The WITNESS. I don't know, sir.

The COURT. Do you know whether he used the money you gave him on account of the house?

The WITNESS. That I can't say, sir.

The COURT. How did he happen to come to you? Why didn't he go to somebody else?

The WITNESS. I don't know. I have been fairly friendly with him in a social way.

The COURT. How about the other members of the association?

The WITNESS. Whether he contacted them or not, I don't know, sir.

Mr. WATSON. Do you know whether any of the other distributors or operators loaned him any money at the time he bought the house?

The WITNESS. No, sir; I don't.

Mr. WATSON. Did he tell you he was going to ask any of them or had asked any of them?

The WITNESS. Yes, sir; he did.

Mr. WATSON. Who did he tell you he asked?

The WITNESS. Joe Brilliant.

Mr. WATSON. How much did he ask Joe Brilliant for?

The WITNESS. I don't recall, sir.

Mr. WATSON. Now, let's not play cops and robbers here.

The WITNESS. No, sir; I am not trying to, sir. I am very sincere about it.

Mr. WATSON. It's a good time to be sincere.

The COURT. How much did Brilliant give him?

The WITNESS. I don't know if he gave him any or not.

The COURT. What was your office in the association?

The WITNESS. Secretary-treasurer.

The COURT. The money you loaned him, was it association money or your own money?

The WITNESS. My own personal money, sir.

By Mr. GARBER:

Q. Did you get any interest?—A. Interest on the note, sir, six percent.

Q. Six percent. How long ago did you loan him the money?—A. If I recall, I believe it's about six months.

Q. He's paid you back \$3,000 in six months?—A. Yes, sir.

Mr. WATSON. How much does he get in salary from the union?

The WITNESS. I don't know, sir.

The COURT. Where did he get the \$3,000 he paid you back?

The WITNESS. I don't know, sir.

By Mr. GARBER:

Q. How did he pay you?—A. In cash.

Q. \$1,000 at a time.—A. No, \$3,000 at one time.

Q. \$3,000 at one clip?

Mr. WATSON. When?

By Mr. GARBER:

Q. When did he pay you that?—A. I have it dated on the back of the promissory note. A couple of months ago.

Mr. WATSON. Is there anybody at your office now?—A. No, there isn't.

Mr. WATSON. Who else did he ask for money to buy this house?

The WITNESS. I don't know whether he asked anybody.

Mr. WATSON. That's a helluva lot of house for a business agent, a \$25,000 house.

The WITNESS. Yes, sir, it is.

Mr. WATSON. Better than the house you live in, at that price?

The WITNESS. Yes, sir.

The COURT. Where do you live?

The WITNESS. On Yorkshire, sir.

The COURT. What part of Yorkshire?

The WITNESS. Just north of Mack.

Mr. WATSON. Do you own your own house?

The WITNESS. Yes, sir, I do.

Mr. WATSON. Is it all paid for?

The WITNESS. Yes, sir.

Mr. WATSON. How much is it worth?

The WITNESS. On today's market it's probably worth \$20,000, sir. It's about a \$12,000 house.

The COURT. You left the university in 1937?

The WITNESS. Somewhere around that time, sir.

Mr. MOLL. Somewhere around that time.

The COURT. You say you left in 1937?

The WITNESS. Yes, sir.

The COURT. What part of the army did you serve in?

The WITNESS. I wasn't in the army.

The COURT. Why?

The WITNESS. I was given a 4-F.

The COURT. Because of what?

The WITNESS. Because of physical disability, sir.

The COURT. Now, did you have any money when you got out of college?

The WITNESS. No, sir.

The COURT. You started out from scratch?

The WITNESS. Yes, sir.

The COURT. In this business?

The WITNESS. Yes, sir.

The COURT. 1937?

The WITNESS. Yes, sir.

The COURT. Did you inherit any money since that time?

The WITNESS. No, sir.

The COURT. Did anybody give you any money?

The WITNESS. No, sir.

The COURT. Any money or any property you are worth now, you earned it yourself since 1937?

The WITNESS. Yes, sir.

The COURT. Are you a New Dealer?

The WITNESS. I can't say that I am, sir.

The COURT. What?

The WITNESS. I can't say that I am.

The COURT. Nobody gave you any money?

The WITNESS. No, sir.

The COURT. And you have \$20,000 in the strong box?

The WITNESS. Yes, sir.

The COURT. Is your house paid for?

The WITNESS. Yes, sir.

The COURT. How much did you pay for it?

The WITNESS. \$17,000, sir.

The COURT. You paid for it?

The WITNESS. Yes, sir.

The COURT. Were you married when you got out of college?

The WITNESS. Shortly after.

The COURT. And you have three children?

The WITNESS. Yes, sir.

The COURT. And they range from what ages?

The WITNESS. 2, 4, and 6.

The COURT. 2, 4, and 6. You live with your wife?

The WITNESS. Yes, sir.

The COURT. Your house you paid \$17,000 for?

The WITNESS. Yes, sir.

The COURT. What is it worth?

The WITNESS. I say, I think it's worth about \$20,000.

The COURT. How big is that lot?

The WITNESS. 60 feet.

The COURT. How deep?

The WITNESS. 120 feet, sir.

The COURT. What side of the street—you are living on Yorkshire, the east or west side?

The WITNESS. The west side, sir.

The COURT. What's that, Grosse Pointe?

The WITNESS. Detroit, sir.

The COURT. City of Detroit?

The WITNESS. Yes, sir.

The COURT. North of Mack?

The WITNESS. Yes, sir.

The COURT. You put \$17,000—you paid that for your house—no mortgage on it?

The WITNESS. No, sir.

The COURT. Do you own any other property?

The WITNESS. Yes, sir.

The COURT. Any other land?

The WITNESS. Yes, sir; I am buying a piece of land.

The COURT. Where?

The WITNESS. Another house on Wilshire.

The COURT. Wilshire; where is that?

The WITNESS. In Detroit, just near Newport and Outer Drive.

The COURT. It's on the east side?

The WITNESS. Yes, sir.

The COURT. A vacant lot or a house?

The WITNESS. A house, sir.

The COURT. What did you pay for it?

The WITNESS. The house sells for \$16,000, sir.

The COURT. It cost you that?

The WITNESS. Yes, sir; when it's paid for.

The COURT. How much have you got in it?

The WITNESS. I have got \$10,000 in it.

The COURT. In it?

The WITNESS. Yes, sir.

The COURT. Have you got any war bonds?

The WITNESS. Yes, sir.

The COURT. How much; state the value.

The WITNESS. I imagine about \$10,000.

The COURT. In war bonds?

The WITNESS. Yes, sir.

Mr. GARBER. How much did you say?

The WITNESS. About \$10,000.

The COURT. Do you have a bank account?

The WITNESS. Yes, sir.

The COURT. How much have you got?

The WITNESS. Very little, sir; about \$500.

The COURT. Is that a checking account?

The WITNESS. It's a checking account.

The COURT. Or savings account?

The WITNESS. Checking.

The COURT. Has your wife got a bank account?

The WITNESS. Yes, sir.

The COURT. What is in hers?

The WITNESS. A similar amount.

The COURT. Are the bonds in joint names?

The WITNESS. Yes, sir.

The COURT. Do you own any stock in private corporations?

The WITNESS. None other than the two I have mentioned.

The COURT. Marquette—

The WITNESS. The two music companies.

The COURT. This Marquette; you own the whole thing yourself?

The WITNESS. I am buying it.

Mr. WATSON. Aren't you a stockholder in Jeannette Glass?

The WITNESS. No, sir.

The COURT. You weren't gambling on this market this last two or three weeks; were you?

The WITNESS. No, sir.

The COURT. How many music boxes does the company own?

The WITNESS. At the present time about 450.

The COURT. What do they average; how much are they worth—the boxes?

The WITNESS. On an average, I would say, about five hundred a piece.

The COURT. You have got 450 of them?

The WITNESS. Yes, sir.

The COURT. It is a corporation?

The WITNESS. Yes, sir.

The COURT. You are secretary and treasurer?

The WITNESS. Yes, sir.

The COURT. Who is the president?

The WITNESS. I am president.

The COURT. Who is the secretary-treasurer?

The WITNESS. I am treasurer.

The COURT. You are president and treasurer?

The WITNESS. Yes, sir.

The COURT. You own all the stock in the company?

The WITNESS. Yes, sir.

The COURT. What is it capitalized at?

The WITNESS. It is just recently incorporated—

The COURT. \$25,000?

The WITNESS. About one hundred and twenty-five.

The COURT. Who incorporated it for you?

The WITNESS. Amick and Spicer.

The COURT. You have three lawyers you do business with. LoCicero is the attorney for the association.

The WITNESS. Yes, sir.

The COURT. James Haggerty; you know him very well?

The WITNESS. No, sir.

The COURT. He is the man you paid \$1,500 to manipulate with the ordinance?

The WITNESS. To represent us.

The COURT. Who recommended him?

The WITNESS. As I recall, at that time I believe Joe Brilliant did.

The COURT. Who recommended LoCicero to the corporation?

The WITNESS. I don't recall, sir.

The COURT. You are buying this company from your uncle?

The WITNESS. Yes, sir.

The COURT. How much did he sell it to you for?

The WITNESS. \$119,000.

The COURT. That's what he sold it to you for?

The WITNESS. His equity.

The COURT. How much do you owe him now?

The WITNESS. About \$70,000.

The COURT. About \$70,000?

The WITNESS. Yes, sir.

The COURT. But the whole company is yours?

The WITNESS. It has a chattel mortgage on it. The company is mine.

I am buying it under a chattel mortgage.

The COURT. Subject to what you owe your uncle. You owe him \$70,000?

The WITNESS. Yes, sir.

The COURT. What's the gross business you are doing a year?

The WITNESS. I should do a gross business of about somewhere around \$275,000.

The COURT. What is the net, after taxes?

The WITNESS. It's hard to anticipate this year. I don't know.

The COURT. I mean an average year.

Don't anticipate this year.

Mr. WATSON. What was it last year?

The WITNESS. I think about seventy or eighty thousand.

The COURT. Net after taxes?

The WITNESS. Yes, sir.

The COURT. Would you like to sell an interest in that to some decrepit lawyer; get a partner in there?

The WITNESS. No, sir; I am just buying it myself.

The COURT. I know, but there's a lot of fellows would like to ride with you there.

The WITNESS. I believe they would; yes.

The COURT. Could you figure it out where you could be interested in a good sales argument?

The WITNESS. Anybody can do what our family has done.

The COURT. What?

The WITNESS. Anybody can do what our family has done. We have been in it about forty years.

The COURT. In this music business?

The WITNESS. In this music business; yes.

The COURT. Ahead of you?

The WITNESS. My uncle, Harry DeSchryver, and before that, Johnny Marquette.

The COURT. Now, here, how much money did you pay these union agents?

The WITNESS. I didn't pay them anything, sir.

The COURT. Now, just tell us the truth, Mister—what's your name?

The WITNESS. DeSchryver.

The COURT. You just tell us—if you raised that \$5,000 just to get this company off on the right foot, this association, and the association was formed about eighteen months ago, just tell us frankly why you haven't paid that money back to the original contributors?

The WITNESS. Well, I just never have gotten around to it, sir.

The COURT. Wasn't the purpose of raising that fund to pay it out to the union?

The WITNESS. No, sir.

The COURT. Are you sure of that?

The WITNESS. Yes, sir.

The COURT. What?

The WITNESS. Yes, sir.

The COURT. What other union agents or representatives did you loan money to besides James?

The WITNESS. None, sir.

The COURT. Are you sure?

The WITNESS. Yes, sir.

The COURT. Did you ever meet Jimmy Hoffa?

The WITNESS. I don't recall that I have sir.

The COURT. Did you ever meet Bert Brennan?

The WITNESS. No, sir.

Mr. MOLL. Bennett?

The WITNESS. Pardon, sir?

Mr. MOLL. R. J. Bennett?

The WITNESS. No, sir.

Mr. MOLL. You never met Hoffa in your life?

The WITNESS. No, sir.

Mr. MOLL. Any place, right?

Mr. WATSON. How long ago—

Mr. MOLL. Wait a minute. Have you ever met Hoffa any time, any place, to speak to?

The WITNESS. No, sir.

Mr. MOLL. You have never spoken to Hoffa in your life?

The WITNESS. Not that I recall, sir.

Mr. MOLL. Yes or no.

The WITNESS. You are asking for an exact answer. As near as I can remember, no, sir.

Mr. MOLL. If you ever met him, you would know, wouldn't you?

The WITNESS. I believe I would, sir.

Mr. MOLL. You're smart enough to know that.

The WITNESS. There is only one thing, sir, that I am debating in my own mind right now, as to who I actually did meet at our annual banquet in the—

Mr. MOLL. Never mind the annual banquet.

The WITNESS. I did meet, I believe, Bert Brennan, at that time. In passing I was introduced to the man.

Mr. MOLL. Did you ever meet Jimmy Hoffa; speak to him?

The WITNESS. I would say "No," sir.

Mr. MOLL. Have you ever been in the Teamsters Hall?

The WITNESS. No, sir.

Mr. MOLL. Have you ever been in the Teamsters Hall?

The WITNESS. No, sir.

Mr. MOLL. On Trumbull Avenue?

The WITNESS. No, sir.

Mr. MOLL. Never in your life?

The WITNESS. Yes, sir.

Mr. MOLL. You mean to say—

The WITNESS. I mean I have never been there.

Mr. MOLL. And you have never been to Hoffa's office?

The WITNESS. No, sir.

Mr. MOLL. And never in your life have you spoken to Hoffa?

The WITNESS. That I can remember; no, sir.

Mr. MOLL. Have you ever been in Brennan's Office at the Teamsters?

The WITNESS. No, sir.

Mr. MOLL. Have you ever been in James' office at the Teamsters?

The WITNESS. Yes, sir.

Mr. GARBER. They are in the Francis Palms Building.

Mr. MOLL. At the Francis Palms Building?

The WITNESS. Yes, sir; I have been there.

Mr. MOLL. But you have never been at the Teamsters' Hall?

The WITNESS. No, sir.

Mr. MOLL. Have you ever seen Hoffa or Brennan in James' office?

The WITNESS. No, sir.

Mr. MOLL. In the Francis Palms Building?

The WITNESS. No, sir.

Mr. MOLL. Did you ever see anybody there represented to you or presented to you as Hoffa or Brennan?

The WITNESS. No, sir.

Mr. MOLL. Are you sure of that?

The WITNESS. Yes, sir.

Mr. MOLL. You want your testimony to stand?

The WITNESS. Yes, sir.

Mr. MOLL. You never had any business dealings with either Hoffa or Brennan?

The WITNESS. No, sir.

Mr. MOLL. And never talked to Hoffa?

The WITNESS. That I can recall; no, sir.

Mr. MOLL. And when did you meet Brennan?

The WITNESS. If I recall correctly, at this annual banquet, that I was introduced to the man.

Mr. MOLL. Is that the only time you ever met him?

The WITNESS. Yes, sir.

Mr. MOLL. Or spoke to him?

The WITNESS. Yes, sir.

Mr. MOLL. Is that correct?

The WITNESS. Yes, sir.

Mr. MOLL. You have no recollection of—you say you do not know R. J. Bennett?

The WITNESS. No, sir; I don't.

Mr. MOLL. Now, you want your testimony to stand that way?

The WITNESS. Yes, sir.

Mr. MOLL. You understand my questions thoroughly?

The WITNESS. Yes, sir.

The COURT. What is the purpose of taking \$20,000 out of circulation and putting it in a vault? What's the idea behind that.

The WITNESS. Well, I don't know actually.

The COURT. What?

The WITNESS. I don't know. It's just one way that I kept the money that I accumulated, sir.

The COURT. Who makes out your income tax reports?

The WITNESS. Amick and Spicer.

The COURT. How do you spell it?

The WITNESS. A-m-i-c-k and S-p-i-c-e-r.

The COURT. What nationality is he?

The WITNESS. I don't believe Mr. Spicer is interested in the company himself. I think it is just Mr. Amick.

The COURT. Amick and Spicer?

The WITNESS. That's the name of the company.

The COURT. Where are they located?

Mr. WATSON. Penobscot Building.

The WITNESS. No; it's on Woodward Avenue, right across from the city hall.

Mr. GABBER. You mean the Majestic Building.

The WITNESS. The Majestic Building.

The COURT. You have your tax reports?

The WITNESS. Yes, sir.

The COURT. Now, you're sure you never paid the union agents any money?

The WITNESS. Yes, sir.

The COURT. Did they ever ask you for any?

The WITNESS. Yes, sir.

The COURT. Which one?

The WITNESS. James.

Mr. WATSON. How much?

The WITNESS. Well, on these recent court cases he's mentioned he hasn't had enough money to run his union, to pay these court costs.

Mr. WATSON. How much?

The WITNESS. Well, \$1,000.

The COURT. Did you give it to him?

The WITNESS. No, sir.

The COURT. How much of that \$1,000 did you give him?

The WITNESS. Pardon, sir?

The COURT. How much of that \$1,000 did you give him?

The WITNESS. Nothing, sir.

The COURT. Did you pay the money over to somebody else?

The WITNESS. No, sir.

The COURT. Who is his attorney?

The WITNESS. He's had Ed Barnard representing him in his court business.

The COURT. Did you pay any money towards Ed Barnard's fee?

The WITNESS. No, sir.

The COURT. To anybody?

The WITNESS. No, sir.

The COURT. At any time?

The WITNESS. No, sir.

The COURT. When he asked you for \$1,000, what did you say?

The WITNESS. I wouldn't give it to him.

The COURT. You said something to him. What did you say to him?

The WITNESS. That we wouldn't give it to him.

The COURT. Who did he ask for it?

The WITNESS. The association.

The COURT. He asked the association for \$1,000?

The WITNESS. Yes, sir.

The COURT. Was that before or after he borrowed the \$5,000 from you?

The WITNESS. That's been since that time, sir.

The COURT. Since he borrowed the \$5,000?

The WITNESS. Yes, sir.

The COURT. Was it before or after he paid the \$3,000 back to you?

The WITNESS. It was after that.

The COURT. Was the case pending against the union at the time he paid back the \$3,000?

The WITNESS. I don't believe so, sir.

The COURT. He owes you \$2,000 now?

The WITNESS. Yes, sir.

Mr. TRAVIS. How did he pay back that \$3,000; in cash or check?

The WITNESS. Cash.

Mr. TRAVIS. At your office?

The WITNESS. Yes, sir.

Mr. WATSON. You receipted for that, I believe you stated, on the back of the promissory note?

The WITNESS. Yes, sir.

Mr. WATSON. So you have due you \$2,000, plus accumulated interest on the whole amount. He has paid nothing on interest?

The WITNESS. Yes, sir.

The COURT. When is the note due? When is that \$2,000 due?

The WITNESS. I believe it's a one-year note, a 12-month note, sir.

The COURT. When is it due now?

The WITNESS. It should be due in about four or five months.

The COURT. What is the date of the note?

The WITNESS. I can't answer that, sir. I don't know.

The COURT. You say four or five months. Was it dated January this year?

The WITNESS. No, sir; I don't think it's that far back.

The COURT. Later than that?

The WITNESS. Yes, sir.

Mr. MOLL. What is the period of the note?

The WITNESS. I said I believe it's a year, sir.

Mr. WATSON. Now, you state that the demand was made of you recently to contribute \$1,000 to Mr. James, because of the expense he had been put in this current litigation?

The WITNESS. Yes, sir.

Mr. WATSON. Where was that request made, in your office?

The WITNESS. No, sir.

Mr. WATSON. At whose office?

The WITNESS. At the association office.

Mr. WATSON. Who was there?

The WITNESS. To recall, the board of directors, those present at that time would be Mr. Brilliant, possibly Mr. Skinas, myself, Mr. Baynes.

Mr. WATSON. You were all present in a group?

The WITNESS. Yes, sir.

Mr. WATSON. What was the occasion of the meeting?

The WITNESS. A regular board meeting.

Mr. WATSON. Was he a member of your board?

The WITNESS. No, sir.

Mr. WATSON. How did he happen to come there to that meeting?

The WITNESS. I guess just because he knew we were meeting at that time, sir.

Mr. WATSON. All right. When was the meeting?

The WITNESS. The exact date I can't—

Mr. WATSON. Let's take a run at it. Now, let's get some facts here we can talk about. You had a meeting August 5, 1946, of the board of trustees of Local Chapter 1, was it that meeting?

The WITNESS. It would be a board of trustees local chapter meeting.

Mr. WATSON. It would be?

The WITNESS. Yes, sir.

Mr. WATSON. When was it with reference to the complaint of Marquette Music Company against William Kader heard at the meeting of August 5th? Was it before that or after that?

The WITNESS. I don't know, sir.

The COURT. Where is your company located?

The WITNESS. One is at 1216 Beaubien. The other is at 3770 Woodward.

The COURT. Where is that number on Beaubien; what cross street?

The WITNESS. Macomb.



Mr. GARBER. Near police headquarters?

The WITNESS. Yes, sir.

Mr. WATSON. You had another meeting August 19, 1946, which apparently is the last meeting you had of the trustees. Was it at that meeting he asked for the \$1,000?

The WITNESS. It's around about that time; yes, sir.

Mr. WATSON. At that time, at that meeting, the minutes show there were present Brilliant, DeSchryver, Skinas, and Baynes. Is that the one?

The WITNESS. It sounds like the one.

Mr. WATSON. Did he address this to all of you as a group?

The WITNESS. Yes, sir.

Mr. WATSON. You mean to state Mr. Brilliant and Mr. Skinas—is that the way he calls it?

The WITNESS. Yes, sir.

Mr. WATSON. And Mr. Baynes, if brought here to testify, would all testify that demand or request was made for \$1,000 by James. Are you sure they would all state it was the same amount?

The WITNESS. No, sir; I wouldn't.

Mr. WATSON. You were all in one small room; correct?

The WITNESS. That's right.

Mr. WATSON. Not any bigger than this, is it?

The WITNESS. No; not any bigger than this.

Mr. WATSON. And he presented himself, he had something to talk to this board of trustees about, and he asked for some money, right?

The WITNESS. That's right, sir.

Mr. WATSON. You were all there in the room?

The WITNESS. Yes, sir.

The COURT. How much would they say he asked for?

The WITNESS. I mean, it was more a general discussion, sir.

The COURT. Well, Mr. Watson there just asked you if they would all testify it was \$1,000 James asked of the association?

The WITNESS. Sure. I don't recall it was a specific amount. The inference was the man needed some money to continue these cases, sir.

By Mr. GARBER:

Q. Just what did he say? Tell us what he said. How did he say it, what did he say when he came in the meeting?—A. Well, that the cost of the litigation was expensive.

Q. What else did he say?—A. That he was running out of money.

Q. Yes.—A. And that he needed some.

Q. Now, did he specifically say \$1,000?—A. No, sir, I can't say he did.

Q. How did you arrive at \$1,000?—A. He asked me to specify an approximate amount. He said, "what amount," and I am trying to give you as accurate a picture as I can, sir.

Q. He said he needed money.—A. That's the gist of it. That would be about it.

Q. Was it in the course of the discussion \$1,000 was talked about?—A. Sir, let me—there's no point to pin it down to \$1,000.

Q. He could have wanted \$2,500, couldn't he?—A. That is positive, sir.

Mr. TRAVIS. That is, you figured he needed \$1,000?

The WITNESS. I don't know what the figure was in his mind. He never arrived at a figure.

Mr. MOLL. Why did you say \$1,000?

The WITNESS. He asked me to tell him what he wanted. There has to be some limit.

Mr. MOLL. Was he given any money?

The WITNESS. No, sir.

Mr. MOLL. Was he loaned any money that night?

The WITNESS. No, sir.

Mr. MOLL. Was he advanced money any way, by check or otherwise?

The WITNESS. No, sir.

Mr. MOLL. Was any money placed to his deposit?

The WITNESS. No, sir.

Mr. MOLL. Was he promised any money?

The WITNESS. No, sir.

Mr. MOLL. Did anybody say the money would be forthcoming?

The WITNESS. No, sir.

Mr. MOLL. That his lawyers would be paid?  
 The WITNESS. No, sir.  
 Mr. MOLL. Who is his lawyer?  
 The WITNESS. I say, I believe it's Ed Barnard.  
 Mr. WATSON. Excuse me just a minute. Where does Skinas live?  
 The WITNESS. I believe he lives up on Leslie.  
 Mr. WATSON. What number?  
 The WITNESS. I don't know.  
 Mr. WATSON. Have you been in his house?  
 The WITNESS. Yes, sir. It's just off—near Woodrow Wilson.  
 Mr. WATSON. Is it west of Woodrow Wilson?  
 The WITNESS. Yes, sir.  
 Mr. WATSON. On Leslie?  
 The WITNESS. Yes, sir.  
 Mr. WATSON. He's not listed in the phone book, is that correct?  
 The WITNESS. I don't recall, sir.  
 Mr. MOLL. How does he spell his name?  
 The WITNESS. S-k-i-n-a-s.  
 The COURT. Does he live in an apartment building or a house?  
 The WITNESS. A private residence, sir.  
 Mr. WATSON. How many doors west of Woodrow Wilson?  
 The WITNESS. It's about five or six, sir.  
 Mr. WATSON. Mr. George Skinas lives on the west side of Woodrow Wilson—the north or south side of the street.  
 The WITNESS. The north side of the street.  
 Mr. WATSON. The first block?  
 The WITNESS. Yes, sir.  
 Mr. WATSON. Is he married?  
 The WITNESS. No, sir, he is single.  
 Mr. WATSON. Who does he live with?  
 The WITNESS. He lives with a family.  
 Mr. WATSON. He lives with a family there?  
 The WITNESS. Yes, sir.  
 Mr. WATSON. His family?  
 The WITNESS. No, I don't believe they are his family, sir.  
 Mr. GABER. Do you know his telephone number?  
 The WITNESS. No.  
 Mr. WATSON. Have you got his telephone number in your book or billfold?  
 The WITNESS. No, sir. I haven't it with me. I would have it at my office, sir.  
 Mr. WATSON. He lives with a private family, as a roomer.  
 The WITNESS. I believe the people's name is Sechler.  
 Mr. WATSON. How do you spell it?  
 The WITNESS. S-e-c-h-l-e-r.  
 Mr. WATSON. Joseph Brilliant lives where?  
 The WITNESS. I believe he lives on Northlawn. I believe he's listed, in the phone book.  
 Mr. MOLL. Here's John Sechler, 1665 Leslie.  
 Mr. WATSON. Where does Brilliant live, Northlawn?  
 The WITNESS. I know he is listed in the phone book.  
 Mr. WATSON. Where does Jack Baynes live?  
 The WITNESS. He lives away out Grand River. I don't know what street it is.  
 Mr. WATSON. Have you ever been in his home?  
 The WITNESS. Yes, but I don't know the street it is on.  
 Mr. WATSON. Would it be Sussex?  
 The WITNESS. Yes, I believe it is Sussex.

By Mr. GABER:

Q. Is this the only time you ever raised any money from the association members, this money you told us about tonight, this \$5,000?—A. Yes, sir.

Q. Have you contributed any money to any other funds?—A. No, sir.

Q. Never?—A. No.

Q. Have you been asked to sign any checks for the association for any other contribution, either the state funds or the Chapter 1 funds were used for any amount of money?—A. No, sir.

Mr. WATSON. How old is Mr. Skinas about?

The WITNESS. I imagine he's a man pretty close to 50, sir.

Mr. WATSON. A big man?

THE WITNESS. Yes, rather chunky, fat, roly poly.

MR. WATSON. Light or dark?

THE WITNESS. Rather dark.

MR. WATSON. Bald or a lot of hair?

THE WITNESS. Just a normal amount, not bald, though.

MR. WATSON. How tall would he be?

THE WITNESS. Oh, I would say about 5 feet eight, somewhere around there.

MR. MOLL. What color hair?

THE WITNESS. Black.

MR. WATSON. How about Brilliant?

THE WITNESS. Brilliant is small and has dark hair.

MR. WATSON. Small, dark hair—how old?

THE WITNESS. He's about 45.

MR. WATSON. Baynes?

THE WITNESS. Baynes is also a fairly small man, about 5 foot six or seven.

MR. WATSON. Dark or light?

THE WITNESS. Sort of ruddy complexion.

MR. WATSON. How old?

THE WITNESS. Oh, I would say about the same age, 45.

By MR. GABER :

Q. Do you go out socially with Mr. James?—A. I have, yes, sir.

Q. Has he ever been to your home?—A. Yes, he has, sir.

Q. Is he married?—A. Yes, he is, sir.

Q. Do you and your wife and James and his wife go out together, the four of you?—A. I don't think we have actually gone out anywhere. He has visited our home with his wife and family, and we have visited his home.

Q. How often has he visited your home?—A. Oh, he has been over there four or five times.

Q. How many times have you been in his home?—A. I have been in his home two or three times.

Q. His new home?—A. I have been out to his new home once, sir.

Q. Does he have new furniture in his new home?—A. Not that I have seen, sir.

Q. You have been there, haven't you?—A. Yes.

Q. Is it well furnished?—A. I would say average. In fact, when I saw it, they just recently moved in, and they hadn't completed the furnishing of it, sir.

Q. You haven't been back since?—A. No, sir.

Q. How many cars does he have?—A. One, to my knowledge.

Q. What kind is that?—A. I believe it's a Buick.

Q. Do you know whether or not he has purchased a new car lately?—A. The Buick is a new car.

Q. A new car?—A. Yes, sir.

Q. When did he get that?—A. Just recently.

Q. Did you or the association have anything to do with the purchase of that car?—A. No, sir.

Q. Have you seen this union organizer that you first met from Cleveland. Has he been back here again?—A. Yes, sir, he has.

Q. How often does he come back?—A. Oh, I don't think he's been back over two or three times, sir, actually.

Q. When he comes back, does he attend your meetings?—A. No, sir.

Q. Has he ever attended any of your meetings outside this first time?—A. No, sir, not to my recollection.

Q. How did you happen to see him here?—A. Well, he is engaged in business in Cleveland.

Q. The union organizer?—A. Yes, sir, in the music business.

Q. He is in the music business?—A. Yes, sir.

Q. Is anyone in the union engaged in the music business here?—A. Not to my knowledge.

THE COURT. Did you ever pay him anything?

THE WITNESS. Pardon?

THE COURT. Did you pay the man in Cleveland anything?

THE WITNESS. No, sir.

THE COURT. Did the association pay him?

THE WITNESS. No, sir.

THE COURT. Did you pay his expenses for coming up here at the time he was organizing the music venders?

THE WITNESS. I don't recall, sir, if we did.

The COURT. Don't you know you paid him over \$500?

The WITNESS. Pardon, sir?

The COURT. Don't you know you—the association paid him over \$500?

The WITNESS. No, sir, I don't recall.

Mr. GARBNER. What is his name again?

The WITNESS. Dixon.

The COURT. Do you know how much money the association has in the checking account?

The WITNESS. Yes, sir; we just checked it. I believe it has over \$5,000.

The COURT. What?

The WITNESS. It has over \$5,000.

The COURT. Nearer seven thousand?

The WITNESS. I suppose the combined funds of the two accounts would be.

The COURT. The two accounts?

The WITNESS. Yes.

The COURT. Are both of them in the Industrial Bank?

The WITNESS. Yes, sir.

The COURT. You have got \$2,000 in one account, haven't you, the state account?

The WITNESS. Pardon, sir?

The COURT. You have about \$2,000 balance in the state account, haven't you?

The WITNESS. Yes, sir.

The COURT. And you have about \$7,000 in the other account?

The WITNESS. No; about five thousand.

The COURT. What are you going to do with that money?

The WITNESS. I told these gentlemen, we are going to give it away to charity, or we are going to use it for entertainment of the members, something of that nature.

Mr. WATSON. Do you know that gentleman [showing witness a picture]?

The WITNESS. Yes, sir; I do.

Mr. WATSON. What is his name?

The WITNESS. Nick Ditta.

Mr. WATSON. How long have you known him?

The WITNESS. Actually, I don't know. I met him. I know that face, sir.

Mr. WATSON. Where did you meet him?

The WITNESS. I see him at Harry Graham's Bar.

Mr. WATSON. In what capacity was he represented there at Harry Graham's Bar?

The WITNESS. No particular capacity, sir.

Mr. WATSON. Owner, part owner of the bar?

The WITNESS. Yes; I believe he was.

Mr. WATSON. When was that?

The WITNESS. Oh, that's around the early part or the latter part of last year, sir.

Mr. WATSON. Late 1945. Who introduced you to him?

The WITNESS. As I recall, Harry Graham, sir.

Mr. WATSON. Graham introduced him to you, as a partner?

The WITNESS. Yes, sir.

Mr. WATSON. He did. Did Mr. Ditta have some interest in the music, phonograph business, that you know of?

The WITNESS. At the present time, I don't know whether he does or not, sir.

Mr. WATSON. He did have?

The WITNESS. I believe he did away back before the war, sir.

Mr. WATSON. You have been in it all your business life, since 1937?

The WITNESS. That's right, sir.

Mr. WATSON. He was interested in it when you came into the picture?

The WITNESS. Much in the same manner they are interested in it today, sir.

Mr. WATSON. How?

The WITNESS. Through fronts, through other people, but personally, I couldn't prove they are in it.

Mr. WATSON. What do you think his connection is in it?

The WITNESS. I don't know, sir.

Mr. WATSON. I know you don't know, or let's assume you don't. What do you think his connection was?

The WITNESS. Actually, my thoughts are, it's just a combination of bums or hoodlums trying to move back in this business right today.

Mr. WATSON. That's Nick——

The COURT. Who else?

The WITNESS. Nick, and I don't know—Carlos Loberto, Frank Meli—how high up they go on the list, I don't know. They might go as far as Angelo Meli, people of that nature.

By Mr. GARBET:

Q. What relation is Angelo to Frank?—A. I don't know.

Q. Cousins?—A. I don't know. They might be brothers, as far as I know.

The COURT. Any of those fellows neighbors of yours?

The WITNESS. They might be. I don't know, sir.

The COURT. On Yorkshire?

The WITNESS. I don't know, sir, actually, sir. I know this is beside the point, as far as your inquiry is concerned, but that's the thing of prime concern to the operators in this business right today, the fact those people are moving back into the business, and they certainly are not good for any business. You can't prevent them from getting in business. There should be a way; I mean, that's my own personal feeling, because back prior to the war, I mean, I am not what is actually considered a fellow that is on the inside of all these tricks people have, but what their connection is with unions, God only knows.

The COURT. With the union?

The WITNESS. I mean, back before that time when we had the CIO and AFL unions, and everybody was throwing a union at you, throwing labels at us, say, a buck a label, two bucks a label.

Mr. WATSON. Do you think it's a healthier situation with Mr. James administering it in the ordinary fashion now?

The WITNESS. Yes; I do.

Mr. WATSON. You don't know whether some of these gentlemen are working with Mr. James or not?

The WITNESS. Frankly, I don't believe they are.

Mr. WATSON. You know James socially, as well as in a business way, don't you?

The WITNESS. Yes, sir.

Mr. WATSON. You have had occasion to discuss this problem with him of keeping this tougher element out of the business, naturally you have, haven't you?

The WITNESS. You mean, I have just have to confine this to a social basis, or anything else. This is the feeling of the operators in the business—my feeling too. The distribution of one of the photographs in this town is controlled by that element of people.

Mr. WATSON. I thought I asked a rather simple question. If you had occasion to discuss with Mr. James of the union, your thoughts in connection with the desirability of keeping this element from coming back into the music box business.

The WITNESS. Yes; I have, sir.

The COURT. What were you doing up around Graham's Bar?

The WITNESS. We used to eat up there, sir, when I worked on Beaubien Street. We ate at the 500 Bar and Graham's Bar.

Mr. MOLL. What took you to Graham's particularly?

The WITNESS. The location of the two—I have known Harry a good many years.

Mr. WATSON. Harry used to be in the business?

The WITNESS. At one time he used to work at Marquette Music Company.

The COURT. Have you got juke boxes in his place of business?

The WITNESS. No; I have not.

The COURT. Music boxes?

The WITNESS. No; I have not.

The COURT. Who owns the ones in there?

The WITNESS. I don't know who owns the one in there now.

Mr. WATSON. Let's get back to this suggested contribution to the legal fund. I take it that is the last request Mr. James made for any financial assistance. Now, what suggestion or approach was made previous to that?

The WITNESS. There has been none.

Mr. WATSON. That's the only time he has ever asked you for any financial assistance?

The WITNESS. Yes, sir.

Mr. WATSON. Outside the personal loan he made from you?

The WITNESS. Yes, sir.

MR. WATSON. Have you ever paid him a dime in any manner outside the regular dues your association paid?

THE WITNESS. No, sir.

MR. WATSON. Has anybody else, any of the other operators that you know of?

THE WITNESS. No, sir, not that I know of.

By MR. GARNER:

Q. You were speaking a minute ago, that some time ago the AFL had \$1 and \$2 labels to throw at you per box?—A. Well, there was one time prior to the war.

Q. What year?—A. I frankly don't recall as to the exact year.

Q. To the best of your knowledge, what year would that be, long before the war?—A. Oh, back in possibly '38 or '39.

Q. All right, what happened then?—A. Well, we had a fellow in town by the name of Roy Small, initiated a movement in this town through the CIO, and they ran an association at that time, everybody drawing a salary, and the union element got paid dues, and it amounted to quite a thing.

Q. How much did you have to pay a machine then?—A. I think at the time, altogether, it would be fifty-seventy-five cents, in some cases a dollar.

Q. What is the most you ever had to pay?—A. The most, to my knowledge, has been \$1.

Q. \$1 to the union?—A. Yes, sir.

Q. Which union?—A. As I recall, I believe the AFL, prior to the war, sir.

Q. That was \$1 a month?—A. Yes, sir.

Q. And that's what your sticker cost you, one dollar?—A. Yes, sir.

Q. Then, did your men have to belong to the union in addition to that?—A. Had to pay dues.

Q. What dues did they have to pay?—A. As I recall then, they varied from two to four dollars, five dollars.

Q. I see. So that your set-up with the union now at seventy cents a machine is less than it was back at that time, is that right?—A. You refer to seventy cents a machine. The thing is set up now, the employees pay their dues, so by inference in my own case it amounts to about seventy cents a machine.

Q. It does in all of them?—A. I don't know. I can speak for myself.

Q. About 70 cents a machine?—A. Yes.

Q. So you have a better contract now than you had back in 1938, as far as the union is concerned?—A. I believe so, sir.

Q. Wasn't that the basis of your association, that if you got the association, you worked with them, you would get a better deal—wasn't that partly what this organizer told you when he came from Cleveland?—A. Well, actually it was a thing done from our standpoint—it was one of the—the only thing we could do—we couldn't see any way out of not having the unions working the way they were working in our business. This is what we mean—we had to do something.

Q. We concede that.—A. We had to get our association together.

Q. Yes.—A. And get a uniform contract and get something that would represent the industry.

Q. So you got your association together and they formed a closed-shop contract—the association gave the union a closed-shop contract, isn't that right?—A. Yes, sir.

Q. So that you were able to get a better deal that way, isn't that right?—A. What do you mean by "a better deal"?

Q. Less dues to the union.—A. No; I wouldn't say that, sir.

Q. Well, before all your men paid dues, and you paid as high as one dollar a machine.—A. Yes, sir.

Q. Now you are down to 70 cents.—A. Yes, sir.

Q. And that takes care of your men's dues?—A. Well, they take care of the dues themselves.

Q. Do you collect any dues from your men?—A. Yes, sir; I do.

Q. How much do you collect?—A. \$15 apiece.

Q. You have how many employees?—A. Well, I believe it's sixteen dues paying members, sir.

Q. Including yourself?—A. Including myself; yes.

Q. And you pay how much?—A. That varies.

Q. On what?—A. On a basis of what the union estimates I should employ, as I told you before.

Q. Based on the number of boxes you have, isn't it?—A. Not from my standpoint, sir. That may be the way they figure it, but that isn't the way they bill it, sir.

Q. You have been around, you have been one of the organizers of this, worked with unions, and all. You know your association charges 30 cents per machine for dues.—A. Yes; I know that.

Q. No question about that.—A. No question in my mind about that.

Q. And your machines total up, depending on the number of machines you have—all this figures up to 70 cents a machine, and each employee is paying on the basis of \$15, and you make up the difference. Why does this fellow Lamb pay \$46.90? Who is he?—A. The man active in managing right now.

Q. Sure, one of the executive jobs?—A. Yes.

Q. And you have an executive job?—A. That's right, sir.

Q. And you pay \$46.90?—A. That's right, sir.

Q. Why do you pay \$46.90 and the other executives pay \$46.90, while the men actually servicing the machines only pay \$15?—A. Because that's the way they bill it to me.

Q. Why do they bill it to you that way?—A. I don't know, sir.

Mr. TRAVIS. What do you mean, you don't know? When you pay out your good money, you ought to know what you pay it for?

The WITNESS. Well, this is the situation—I mean, I am trying to run a business. I am a young kid, and trying to get along and run that business the way it should be run, and run it decently in this town, and try and raise the level of this business. It seems every time we do it, we have a racketeering element or something else bearing in on us. This is the only thing that has any stability about it.

Mr. TRAVIS. Is this what you refer to as a racketeering thing?

The WITNESS. No.

Mr. TRAVIS. Then answer my question. Why do you pay \$46.90 dues for yourself?

The WITNESS. Because that's the way they bill it to me.

The COURT. Is that by the month?

The WITNESS. Yes, sir; it varies by the month. I have submitted statements of my company there.

By Mr. GARBER:

Q. All right. You paid \$46.90 during the month of March; did you not?—A. Yes, sir.

Q. And you paid \$46.90 in the month of February?—A. That's right, sir.

Q. And the month of January you paid \$47.55?—A. That's right, sir.

Q. Did you have more machines in January than you did in February and March?—A. More machines in January than in February and March?

Q. Yes.—A. No, sir. I believe we had more machines in February and March.

Q. You mean to tell me you have been paying these dues now for—strike that. When did you go on this basis like you are paying your dues now?—A. Well, right from the beginning, sir.

Q. Beginning of what?—A. Beginning of this contract with the association.

Q. And this contract was negotiated by your association?—A. Yes, sir.

Q. And it is a closed-shop contract for the entire industry?

The COURT. You have made a pretty good profit in that business since you got out of school; haven't you?

The WITNESS. Yes, during the war years we did, sir.

The COURT. And isn't it a fact, there is so much money in that business, that in order to peacefully carry it on, as you see it, you pay \$15 a month for 16 separate employees and then you are paying around \$9.50 yourself; is that right?

The WITNESS. No, sir; I don't pay the employees' dues.

The COURT. Well, they pay—the employees are members of the union?

The WITNESS. Yes, sir.

The COURT. And they pay \$15 a month to the union?

The WITNESS. Yes, sir.

The COURT. That's 16 of them?

The WITNESS. Yes, sir.

The COURT. So they pay in the total 16 times \$15 per month.

The WITNESS. Yes, sir.

The COURT. Into the union?

The WITNESS. Yes, sir.

The COURT. And outside of those 16, over and above them, how many employees have you got?

The WITNESS. Two office girls, sir.

The COURT. They don't pay any union dues?

The WITNESS. No, sir.

The COURT. Now, you don't service the machine, do you, yourself?

The WITNESS. On occasion I might, sir.

The COURT. Well, you're the proprietor, aren't you; the owner?

The WITNESS. Yes, sir.

The COURT. And you're paying \$49.50 a month to the union?

The WITNESS. Yes, sir.

The COURT. Have you got a union card?

The WITNESS. Yes, sir.

The COURT. What do they call you?

The WITNESS. Class B member.

The COURT. Class B member?

The WITNESS. Yes, sir.

The COURT. And your employees are class what—Class A?

The WITNESS. Regular members or Class A members, I imagine, that's what they would call them.

The COURT. Regular members of the union?

The WITNESS. Yes, sir.

The COURT. And you are a Class B?

The WITNESS. Yes, sir.

The COURT. Is there a Class C, too?

The WITNESS. I don't know, sir.

The COURT. Now, when you were going to the university, did you ever hear of such a situation where the owner of a business was paying a substantial amount per month to some union?

The WITNESS. No, sir; I didn't.

The COURT. In order that he may run a business free from interference from the union?

The WITNESS. No, sir; I never did.

The COURT. Now, you're getting value received, aren't you, for \$49.50?

The WITNESS. I am getting value in this fashion—

The COURT. I mean, you think you're getting value received?

The WITNESS. Yes, sir.

The COURT. Now, the value received is, you either have a direct contract or something in writing with this union, or it is a gentleman's understanding that unless the men belong to your association, the union will shut out anybody that you designate to be shut out from that industry?

The WITNESS. No, sir.

The COURT. Now, you stated a while ago that there's some people that would like to go into that industry?

The WITNESS. What do you mean, sir?

The COURT. There's some people you fellows don't want in this industry; is that right?

The WITNESS. I said there was some people.

The COURT. You named them here. You don't like to have them in the industry because they are racketeers; right?

The WITNESS. Yes, sir.

The COURT. And you formed the association as one step in the elimination of these people from this industry and the next step was to make a contract with the union, so that with your association, with the assistance of the union, you can shut out undesirables to the members of the association from entering the industry; is that right?

The WITNESS. Well, we will—

The COURT. Now, you're a college man?

The WITNESS. Yes, sir.

The COURT. That's not a \$34 question.

The WITNESS. I understand that, sir.

The COURT. Isn't that the purpose?

The WITNESS. I am trying to answer that as truthfully as I can; trying to cooperate with you people, sir.

The COURT. Don't fear anything. I just want to get the situation.

The WITNESS. No, we don't want the undesirables in our business, but any man that will come in and conduct himself according to—

The COURT. All right. Did you ever hear of a cuttledish?

The WITNESS. Yes; I have heard of them, sir.

The COURT. And when you approach one of them, and there's any fear, they throw out an inky substance that darkens the water so you can't locate them.

The WITNESS. Yes, sir.



The COURT. Bear that figure of speech or metaphor in mind.

The WITNESS. Yes, sir.

The COURT. Now, you and other men have certain ideas how this music business should be run; haven't you? You want to list it up.

The WITNESS. Yes, sir.

The COURT. Now, you have come to the conclusion there's many men, especially these Italians you speak of, that have been a detriment to the business, and you don't want them mixed up with you if you can possibly avoid it.

The WITNESS. That's right.

The COURT. So you and your association have outlined a scheme or policy so you can run the business to your own satisfaction and keep Meli and Ditta and the rest of the gang out, and see if this isn't the way you did it: You organized an association, charged an initiation fee and a certain amount per month for the members; is that right?

The WITNESS. Yes, sir.

The COURT. Now, that alone wouldn't give you any aid or assistance—I mean, wouldn't give you full redress against these undesirables—so then you contact the union and after arguments pro and con you finally arrive at an agreement which you reduced to writing, the effect of which is that all members of your association will be members of the union.

The WITNESS. That's correct, sir.

The COURT. And you will pay to the union certain stipulated amounts, \$15 for the employees, and the owner will pay—that is, the owner or operator will pay to the union enough to make his payment plus the \$15 equivalent to 70 cents per month per machine; right?

The WITNESS. Well, that's not the way they explained it to us.

The COURT. Well, isn't that true?

The WITNESS. Well, it works out that way.

The COURT. All kind of rackets.

The WITNESS. In our particular case it works out to exactly that figure.

The COURT. Now, when you get through with the union each month, they actually get 70 cents per machine from you; don't they?

The WITNESS. That's what it figures up to; yes, sir.

The COURT. And to break the 70 cents down per machine, it is equivalent to each one of your 16 men paying \$15 a piece themselves, and another check from you personally—the money paid by the employees, plus the money paid by you, both sums going to the union, is equivalent to 70 cents per unit per month.

The WITNESS. That's what it works out to, sir.

The COURT. And when you do that, you get the cooperation of the union; don't you?

The WITNESS. Our members; our members.

The COURT. For example, this is the way you get it: Joe Meli, or whatever his name is, wants to go into the business. If he joins the union, he can't enter the business unless and until he becomes a member of your association?

The WITNESS. That's not true, sir.

The COURT. If you don't want him in the union—

The WITNESS. That's not true.

The COURT. Joe Meli—is that his name, Joe? If Meli and Ditta want to go into the juke-box business today, what barriers have you set up not to let them in?

The WITNESS. They can go in the business.

The COURT. How?

The WITNESS. By taking phonographs out, getting locations for them, or by buying any man out of the business that wants to sell them.

The COURT. Well, if Meli and Ditta want to go in, and they have 25 machines tomorrow morning, and they get 25 locations, they will either have to go in, generally speaking, into a beer garden or tavern; won't they?

The WITNESS. That's right, sir.

The COURT. So they are not a member of your association and not a member of the union, so they go in and put the juke boxes in. The tavern keeper puts his arms around him and says, "glad to have you." Under your contract, what happens to the tavern keeper? What do you think happens to him? Now, you have made a lot of money for a young fellow. You have a good head.

The WITNESS. From the association standpoint?

The COURT. He is picketed by the union.

The WITNESS. Yes; he is.

The COURT. He doesn't get any beer, he doesn't get any meat.

The WITNESS. Yes, sir.

The COURT. And he's shut up; isn't he?

The WITNESS. That's right, sir.

Mr. TRAVIS. Why? Why is he picketed?

The WITNESS. Well, sir, that's a question involving the union. The union is best fit to answer it.

The COURT. Look here——

The WITNESS. No, I am not refusing to answer that. I am prefacing it.

The COURT. I am going to give you credit for having a lot of intelligence. You're 28; aren't you?

The WITNESS. Yes, sir.

The COURT. If my son, who just returned from the western front, can make the dough you make when he's 28—you are smart, clever.

The WITNESS. Not very good, sir.

The COURT. Yes, you are clever. You know this music business.

The WITNESS. I was brought up in it.

The COURT. Certainly you were brought up in it, but I could show you a lot of lawyers brought up in the law. They go around every morning, say, "do me something." It don't mean anything.

The WITNESS. Your Honor, I don't hope to be in this business too long, I tell you that.

Mr. WATSON. You won't have to be.

The COURT. You know, right here, you have a combination between the music operators, owners, and the union, whereby, at the will of either one of you, Meli, Ditta, can't do business, because a man comes in and wants to be in the field. You invited him into the association. You tell him, in substance, the water is fine. He pays the initiation fee, pays 30 cents to the association, gets his location; you give him a clearance with the union, and he pays 70 cents to the union. Everything is fine. He is in business. He belongs to the fraternity. You give him the old high-sign; he's in. If he doesn't get the high-sign, the go-sign, the green light, from the union, he can't get in.

The WITNESS. No, sir.

The COURT. If he doesn't get the go-sign from you, he can't get in.

The WITNESS. No, sir; that's not true.

The COURT. Do you know any operator anywhere near the size of your company that belongs to the union, that is paying the union dues, that doesn't belong to your association?

The WITNESS. Well, your Honor, at the present time we are the only company that is that size.

The COURT. You have 450 machines. We will take 300 off. Do you know any company with 150 machines that doesn't both belong to the union and your association?

The WITNESS. No; I can't say that I do.

The COURT. Do you know any company that has 50 machines that doesn't belong to both your association and the union?

The WITNESS. Very few, sir, if any.

The COURT. Name one that doesn't.

The WITNESS. Moss Music.

The COURT. How many machines have they got?

The WITNESS. I imagine they have somewhere in the neighborhood of 50 machines, sir.

The COURT. Do they belong to the association?

The WITNESS. No, sir.

The COURT. Do they belong to the union?

The WITNESS. I don't know, sir.

By Mr. GARRER:

Q. Is that a colored outfit?—A. No, sir.

Q. Where do they operate?—A. They have a store on Jefferson Avenue, sir, out near Chene Street.

Q. They have machines around the city of Detroit?—A. Yes, sir.

Q. And operating?—A. Yes, sir.

The COURT. Well, if they don't belong to your association and don't belong to the union, then they save on each machine \$1 a month tax that you have to pay out, don't they?

The WITNESS. Yes, sir.

The COURT. What?

The WITNESS. Yes, sir.

The COURT. Then if they can run it without joining your association and the union, why do you pay the \$1—30 cents to the association and 70 cents to the union? What are you doing it for?

The WITNESS. Well, I think in the testimony I have tried to evidence that, why we are doing it.

The COURT. Why? Tell us again.

The WITNESS. Because, under this setup at the present time, the union has been the most stable of any one I have known in the business, and the association has continuously worked toward the betterment of the business. I think those are good things to have an association for.

The COURT. In other words, what you mean is you are perfectly willing, under the present circumstances, to pay tribute to the union of 70 cents per machine per month, regardless of the number of employees you have, members of the union, right?

The WITNESS. It works out to that.

The COURT. I say, you are satisfied that arrangement go ahead.

The WITNESS. I can't say I am satisfied with it, sir.

The COURT. You have no idea of repudiating it?

The WITNESS. I don't know any way to do it, sir.

The COURT. You are also satisfied to pay 30 cents per machine to your association?

The WITNESS. Yes, sir; I am.

The COURT. What are you going to do with the money?

The WITNESS. I think we are going to create good will with it, sir.

The COURT. You know that's a non-profit-sharing corporation?

The WITNESS. I mean, good will for our industry. I think we can do that by showing we are decent people.

The COURT. Why would you be allowed, under the laws of Michigan, to run a non-profit-sharing corporation, run into thousands of dollars in your business, \$2,000 a month, and pay no tax like other corporations, because you want to build up good will in your own business?

The WITNESS. I don't know. The government has never challenged that particular part of it, sir.

The COURT. Well, they are challenging it right now. Nobody challenged you with \$5,000 down in your strong box?

The WITNESS. No, sir.

The COURT. Are you the trustee of that fund?

The WITNESS. Yes, sir.

The COURT. How is that money laying in the box?

The WITNESS. In cash.

The COURT. Intermingled with the other cash?

The WITNESS. Yes, sir.

The COURT. If you died on the way home, and the secretary of state opened the box the day after tomorrow, he would find \$20,000 belonging to you?—A. Yes, sir.

The COURT. Is there any evidence in that box to show the \$5,000 doesn't belong to you?

The WITNESS. No, sir; there isn't.

The COURT. Is there anything in writing you have got or anybody else holds to show that \$5,000 doesn't belong to you?

The WITNESS. No, sir; there isn't.

Mr. MOLL. Did you declare that \$5,000 as income in 1945?

The WITNESS. No, sir; I didn't.

Mr. MOLL. In your income-tax return?—A. No, sir; I didn't.

Mr. MOLL. Now, are you through, Judge?

The COURT. Yes.

Examination by Mr. MOLL:

Q. You had a meeting of the trustees on the 30th day of January 1945 at the Maccabees Building, according to your minute book, is that right?—A. Yes, sir.

Q. At which time Mr. Leon Dixon, president of the Ohio association, and William Presser, business agent of the union local in Cleveland, were present. Do you remember that?—A. I believe so, sir.

Q. What's that?—A. I believe so.

Q. At that meeting, you extended them, as well as the trustees, an invitation to appear at a meeting to be held the following night at the Maccabees Building; did you not?—A. Yes, sir.

Q. And was there a meeting the following night at the Maccabees Building?—A. I believe so, sir.

Q. What was the purpose of that meeting the following night?—A. To invite the operators of Detroit to join our association, sir.

Q. Were minutes made of that meeting?—A. I don't know, sir; I would imagine that there would be.

Q. Now, were Dixon and Presser present at the meeting on January 31st the following night, in response to your invitation?—A. I recall that Mr. Dixon was sir. Mr. Presser may have been.

Q. How long did Dixon stay in town?—A. I believe for only a day or two, sir.

Q. Where did he stay?—A. At one of the hotels, sir; the Statler.

Q. The Detroit Leland Hotel, wasn't it?—A. I don't know, sir.

Q. You don't know?—A. No, sir.

Q. Did you go to his room at the Detroit Leland?—A. I don't recall him staying at the Detroit Leland at all, sir.

Q. Where did he stay?—A. Probably—it would be either the Book or the Statler, sir.

Q. Why at the Book or the Statler?—A. Well, I don't know any particular reason.

Q. Why at the Book or the Statler rather than the Detroit-Leland?—A. Well, those two hotels just run in my mind more familiarly than the Detroit-Leland, sir.

Q. Were you at the Detroit-Leland Hotel during Dixon's stay here?—A. I don't recall that I was, sir.

Q. I want you to recall. Do you remember Dixon and Presser being here all right?—A. Yes, I do.

Q. They were at your meeting at the Maccabees Building the night of January 30th?—A. Yes, sir.

Q. They came back the following night to another meeting at your request, right?—A. I wouldn't say it was at my request.

Q. At your invitation—here it is, right here, if there is any question about it, right over your signature. Read that. Did you read it?—A. Yes, I did.

Q. Did I put any words in your mouth?—A. Pardon me?

Q. Did I put any words in your mouth?—A. No, sir.

Q. That talks about an invitation, doesn't it?—A. Yes, it does.

Q. And they were, in response to your invitation, at the meeting at the Maccabees Building on the night of the 31st?—A. Yes, sir.

Q. Did you see Dixon or Presser during the day of January 30th, any place, between the two meetings?—A. I may have, sir, I can't recall.

Q. Did you?—A. Frankly, I can't remember, sir.

Q. You had better start pretty quick. Were you in the Detroit-Leland Hotel on the 31st day of January 1945?—A. I can't remember, sir.

Q. Put it this way: Were you in Dixon's hotel room during his stay here in the latter part of January or first of February?—A. I would say, yes, sir.

Q. Where did he stay?—A. I don't recall the hotel he stayed at.

Q. But you remember being in his hotel room?—A. Yes, sir, I do.

Q. Who was with you?—A. That I don't recall, sir.

Q. Well, to refresh your recollection, it was Sirocuse, wasn't it?—A. He may have been, sir.

Q. Cut that may have been out. Was he, or wasn't he? You are under oath. Don't give me that may have been. Now, was he or wasn't he?—A. I don't know, sir.

Q. Well, I won't take that answer. Yes or no.—A. How can I answer yes or no, when I don't remember?

Q. Don't ask me any questions. When you are trying to lie, I know damn well you can't answer questions. You are making your own bed, son, and you are going to lie in it, see. So you tell me whatever you want to tell me, and I am going to insist on a definite answer from you. Were you and Tony Sirocuse in Dixon's room during his stay here in Detroit in the latter part of January or first of February 1945, yes or no?—A. Yes, sir.

Q. Where was that hotel room?—A. I believe in the Statler Hotel, sir.

Q. At the Statler Hotel?—A. I believe so.

Q. It was not at the Detroit-Leland?—A. No, sir.

Q. What was your purpose in going to his room?—A. To discuss the formation of this association.

Q. Who else was there? James was there, wasn't he?

Mr. WATSON. Let the record show over a minute has elapsed and the witness refuses to answer.

The WITNESS. No, sir; I am not refusing to answer.

The COURT. Why don't you answer the question?

The WITNESS. Your Honor, this gentleman is asking me for a yes or no answer.

By Mr. MOLL:

Q. Yes, and I am going to insist on it.—A. And I can't conscientiously—

Q. Yes, you can. Don't give us that stuff.

The COURT. Is that the night you paid off, and if not, which night did you pay off?

By Mr. MOLL:

Q. Just answer my question. Who was there that night in Dixon's hotel room, besides yourself, Siracuse, Dixon—did you answer whether James was there?—A. No, I didn't sir.

Q. Well, will you answer?—A. To be on the safe side, I should say, yes.

Q. I guess you should. Is that your answer?—A. Yes, sir.

Q. James was there?—A. Yes, sir.

Q. Who else was there?—A. I don't know, sir.

The COURT. Was Hoffa there?

The WITNESS. No, sir.

By Mr. MOLL:

Q. James Hoffa, was he there?—A. No, sir.

Q. Are you sure of that?—A. Yes, sir.

Q. You want to say no to that?—A. That he was not there.

Q. Was Bert Brennan there?—A. No, sir.

Q. Who else was there?—A. Possibly Mr. Patton.

Q. And who else?—A. There would have been members of the association, sir.

Q. I don't know who there would have been. You were there. Who was there?—A. That's all that I can remember, sir.

Q. Is that the way you want to leave your answer?—A. Yes, sir.

Q. All right. Now, this meeting in Dixon's hotel room was after you had collected this \$5050 you told us about earlier, wasn't it?—A. Yes, sir.

Q. What did you take with you to that hotel room that night?—A. Your Honor, may I ask him a question?

The COURT. Go ahead.

The WITNESS. I mean, I am talking a different tune now.

The COURT. What?

The WITNESS. May I ask you for immunity of incriminating myself in this thing? I mean, I believe that's my right, isn't it?

The COURT. That is, you think that if you answer that question truthfully, you will incriminate yourself?

The WITNESS. No, sir. I mean this: That is there any way that any of this testimony can be stricken out, and that I can be granted immunity from it, and that I can give you a statement?

The COURT. That is, are you asking the Grand Jury to grant you immunity?

The WITNESS. Yes, sir.

The COURT. If you will answer the questions truthfully?

The WITNESS. Yes, sir.

The COURT. On the grounds if you do answer it, you will be likely to incriminate yourself, and therefore you ask immunity?

The WITNESS. Yes, sir.

The COURT. Well, you step out in the next room for a minute.

(Intermission)

By Mr. MOLL:

Q. Now, Mr. DeSchryver, I assume some of the answers given to our questions here tonight haven't been exactly accurate.—A. That's right, they haven't.

Q. I will say to you, if you want to tell us the truth at this time, you needn't be at all concerned about any perjury, see. We expect when a witness comes in here, such as of your caliber, that you are liable to be a little confused possibly. It is a new experience to you—you are liable to try to cover up or conceal. We make allowances for that. We will give you an opportunity at this time, if you wish to tell us the truth. If you want to do that, you needn't be concerned with perjury prosecution. Does that answer the question in your mind?—A. Well, there's one other question, sir, that will the testimony that I give you personally incriminate myself.

Q. I don't know what your testimony is going to be. I can read this statute to you, which is the law. It says:

"No person shall, upon such inquiry, be required to answer any questions, the answer of which might tend to incriminate him, except upon motion in writing by the prosecuting attorney, which shall be granted by such justice or judge, and any such questions and answers shall be reduced to writing, and entered upon the docket or journal of such justice or judge, and no person required to answer such questions upon such motion shall thereafter be prosecuted for any offense concerning which such answers may have tended to incriminate him."

That's the law, and you are entitled to know that that's the law.

MR. WATSON. Now, possibly as a further statement, it would be fair for you to know or have a general understanding of the objectives of this Grand Jury. Primarily, it is for investigation into dishonest, corrupt practices by organizers and members of organized labor. The business man who may, through no choice of his own, be faced with a situation whereby he has had to, been forced by direct threat or innuendo, to pay tribute, in our eyes, is not the offender. He is the victim. I can't tell you any more than Judge Murphy or Judge Moll, or any of the staff can, the nature of your testimony. We know substantially—

THE WITNESS. Yes, sir.

MR. WATSON. —before we called you in, what your testimony should be if it is truthful, and up to date it hasn't been truthful on pertinent points.

THE WITNESS. Yes, sir.

MR. WATSON. You stand ready now, as I understand it, it is your desire to purge yourself of contempt of court, and you want to know whether, if you tell the truth now, you may be absolved from a charge of perjury on the testimony you have given up to that point.

THE WITNESS. That's right, sir.

MR. WATSON. Judge Moll has given you his assurance on that. If you tell the truth, the whole truth, at this time, your previous testimony will not be used as the basis for a perjury charge; right, Judge Moll?

MR. MOLL. That's right.

MR. WATSON. Judge Murphy?

THE COURT. That's right.

MR. WATSON. Prosecutor Garber?

MR. GARBER. That's right.

MR. WATSON. Attorney General?

MR. TRAVIS. That's right.

MR. WATSON. Now, as you develop your testimony from this point on, if you come to some particular point which you think might constitute a confession of a crime by yourself, you may stop at that point and ask, you can hypothetically ask, if I now testify that I hit somebody over the head with a blunt instrument, would that be a crime and incriminate you, and likewise hypothetically you can ask as you go along, "If I testify I paid James Hoffa or John Jones or Tim Smith, would that incriminate me or tend to incriminate me." We will try to meet those. Is that a satisfactory method of procedure? Does that tell you what you want to know?

THE WITNESS. I think that's fair enough.

MR. WATSON. Go ahead, Judge Moll.

MR. MOLL. Here's the section, if you want to read it, it's section 28.946 of the Michigan Statutes Annotated. We don't believe in kidding you.

THE WITNESS. Well, sir, I don't want to prolong this unnecessarily any more than it is, or has been. I don't want to make this unnecessarily any longer than it has been up to this point. I have to preface it with some remarks.

THE COURT. What?

THE WITNESS. I have to preface, I mean, with some events and things leading up to the organization of our association and our union. I might add this: As I was growing up in this business, working for my uncle, later becoming a partner with him, and finally getting to the stage where I actually owned the business myself, as I said before, there was an element in the business that we figured was not good for it, always have figured it, and they were people that dominated the business. There was a time that Pete Licavoli and Joe Bonmarito were rather large operators in the business, and from my standpoint, we wanted something that would tend to elevate the plane of this business, and away back, Roy Small started an association and union combination,

By Mr. MOLL:

Q. Approximately when was that, the middle thirties?—A. I would say in the late thirties, for possibly two or three years prior to this.

Q. What was his plan?—A. Well, his plan was, as Judge Murphy stated before, to picket the locations, and thereby control who went into them, and who didn't go into them. Actually, it was a move, I think, on his part, just to make a lot of money for himself.

Q. Go ahead. You tell it.—A. He would build the thing up, and everybody belonged to the CIO. Then all of a sudden the CIO no longer existed; they belonged to the AFL.

Q. How did that come about?—A. Well, those things I could only observe from the side lines, sir, at that time. I wasn't actively interested in those things, and the machinations behind them I didn't know, and finally that thing got to a point where people in Pontiac threatened to throw him in jail for extortion.

Mr. WATSON. Small?

The WITNESS. Small, and the whole thing dissolved. Well, that was right up prior to the organization of this thing, and a group of the operators got together at that time and tried to run an association without any union.

By Mr. MOLL:

Q. What time are you speaking of?—A. Well, that's within the last three years. It's a year prior to the organization of this.

Q. And was an organization formed at that time of the operators?—A. Yes, there was an organization at that time, sir.

Q. What was it called?—A. I mean, it wasn't an incorporated thing.

The COURT. A loose organization?

The WITNESS. Loosely formed organization—it had been the United Operators of Michigan before that time. We carried on pretty much under that same name, and just blundered their way along, trying to get the operators to go together and to raise the level of the business. At that time the dues in the association amounted to about \$5 per month per member.

By Mr. MOLL:

Q. About how many members did you have?—A. Oh, as I recall at that time, the majority of operators paid the membership fee and paid dues to it once a month, and gradually deteriorated down to the time when relatively few bothered to pay dues into this association.

Q. This takes you back into what year, 1943, '44?—A. This organization was in '46 and '45—that would be back in '44.

Q. And approximately?—A. Approximately '43.

Q. And approximately how many operators were in this loosely knit organization?—A. Oh, I think they started off with approximately 75 or 80. At that time there were only about 100 operators in this vicinity, and then it gradually deteriorated on down to about 35 members, something like that, and the thing was dissolved. I at that time was appointed president, because nobody else would take the job for the thing. It became my duty, when the thing did break up, to dissolve the association. When we dissolved it, we had something like about eleven or twelve hundred left in the organization, and Mr. Sirocuse and myself were appointed trustees of that, and we sent out a letter to each one of the members that had remained through there, asking whether they wanted those dues prorated back to them, or whether they would leave it to our judgment to spend it on a charitable purpose that we considered worthy; and the money laid in the bank until about two months ago. Tony Sirocuse and I withdrew it and to date we have expended about three hundred or three hundred and fifty dollars, which we did to send 100 children from the Protestant Children's Home down to Bob-Lo for an outing for one day, and expect to spend the balance in much the same manner, and render an accounting to people who had money coming at that time.

Q. The original contributors?—A. Yes, sir.

Q. All right.—A. That brings us up to the date of the—

Q. Formation of—A. The Automatic Phonograph Operators of Michigan.

Q. Tell us how the formation of that association came about, in your own words?—A. May I again preface that, sir?

Q. Certainly.—A. Regardless of what it would seem from my testimony, I believe actually, in the minds of the operators concerned, it was a sincere effort on their part to do something right, something that was good for the business. They are all—regardless of whether you think this is a lucrative business, and from

what I have told you of moneys I have, it would indicate it—we have a large business—I have an uncle that was a man in a million, as far as that is concerned. He was content to make so much money, step aside and let me make it, but the average run of operators operate 25 or 50 phonographs, and they are the type of people who can't combat a labor union when it starts up and says, "we are going to picket you," do this, do that. They can't get to the point where they can say, "We won't be bothered with a union any more. At the same time this racket element is still in this town. I don't know how it will be eliminated. I thought it would be when the ordinance was put in that people would have to be of good, moral character, but they haven't been, because they're operating under front names, but we examined various associations. We knew the Cleveland association had actually functioned over a period of seven years, and a group of about 12 operators, 10 operators, something like that, got together and they appointed four men to go down to see the people in Cleveland, to find out how to set up their organization, set up the association, and the union, and we had a meeting with Mr. Presser at that time.

Q. This was sometime prior to the organization of your own association?—A. That's sometime prior to the organization of our association.

Q. Say the latter part of 1944?—A. Around in November and December, something like that.

Q. Now, Presser was the business agent of the Cleveland local?—A. Yes, sir.

Q. Did you at that time meet Dixon, who was president of the Cleveland association?—A. I don't believe at that particular meeting we met anybody other than Mr. Presser.

Q. I see, and what was the result of that visit?—A. Well, the simple result of our visit was, Mr. Presser would show us how to set up our association and union in this town.

Q. Did he proceed to do that?—A. Yes, sir; he did, and he said that he would do it for a fee of \$5,000. Now, may I ask you a question?

Q. Yes.—A. As I go along in this testimony, I don't know whether there is anything that incriminates me. I mean, will you point that out to me or must I judge for myself on that?

Q. Well, as Mr. Watson, the attorney general, explained to you, there is a vast distinction between a victim of a situation and the perpetrator of a crime. What we are attempting to do is to investigate situations that involved violations of the criminal law of the State of Michigan. Probably one of the most common occurrences in connection with labor affairs is extortion, members of labor organizations make threats against a person or property with intent to extort money or pecuniary gain from persons to whom the threats are made. You can see, if that is our aim, we are not interested in getting the victims of crimes. We are interested in getting the perpetrators.—A. Yes, sir.

Q. Now, I might say, the answer to that is that where we think a man has been victimized, we usually build the case against him, because we know of the reluctance to talk. Where a victim won't talk, insists on concealing a thing, concealing his part in it, and the part the perpetrator of the crime plays, we only have several alternatives. We either have to prosecute the victim for perjury before a court of record, or throw him into a conspiracy case; see what I mean?—A. Yes, sir.

Q. So the choice usually with the businessman, with the employer, is whether he's going to play along with us and tell the truth, or whether he's going to attempt to conceal the truth, or to protect somebody that has extorted money from him. See what I mean? Now, on the other hand I suppose there's situations where, before anybody's hurt, they might run out to bribe people that they deal with. Sometimes it's a question of extortion, and sometimes it's almost a question of whether the businessman undertakes to bribe a union agent, for instance. Now, if you are a victim of a crime, we certainly don't intend to prosecute you. Does that answer your question?—A. Well—I mean, because it looks—it must appear from what I have said so far, that we invited what has happened to us. I mean that we went down and invited a man to come up and do something for us. Actually, we did it with the thought in mind that what we were doing was the right thing to do. I don't mean by that, the expedient thing to do, I mean it was the answer to—

Q. Your situation.—A. To fixing our business on a stable plane, and it was done with no intent or no idea in mind it was for the benefit of just a few operators or for the benefit of just a few businessmen, or any one group, but it was to be beneficial for every operator in the city of Detroit, and we were completely sold on that idea.



Q. Mr. Garber just calls my attention to a statute with respect to bribery that provides that regardless which end the witness may be on, if he testified to it first, he's automatically given immunity.

MR. GARBER. Whether it's the agent of an employee or business agent, anything like that, the statute specifically grants you immunity if you are the first one who comes in to report it.

MR. WATSON. Yes.

"The first person committing an offense within the purview of this section who shall report the facts, under oath, to the prosecuting attorney of the county where the offense is triable, and who shall give evidence tending to the conviction of any other person charged with an offense under this section, shall be granted full immunity from prosecution under this section with respect to the offense reported." That is Section 125 of the Penal Code; 28,320 of the Michigan Statutes Annotated. It's the section relating to bribery of agents, servants, and deception of their principles; evidence; immunity.

MR. MOLL. Supposing we say this; is this a fair statement, Judge? This gentleman would be granted immunity on any testimony he gives, having to do with bribery on his part, or as an agent of the association, or that has to do with the payment of money as the result of an offer to extort made to him or his association?

THE COURT. Yes; the Court will grant him immunity under those circumstances.

MR. MOLL. Does that satisfy your question?

THE WITNESS. Yes, sir.

By MR. MOLL:

Q. I would prefer to have you tell the story in your own words, better than ask you questions and you answer, if you want to do it?—A. I am willing to do it, sir, to give it all the way through. That's why I asked. I mean, in the course of telling this story, I am going to tell it in my own way. How it is going to look in print, I don't know, sir.

Q. You go ahead, and we will come back and ask certain questions.—A. Well, this man, as I said, told us he would charge us a fee of \$5,000 to come in and assist us in setting this thing up, and we came back to Detroit and reported that to the group of gentlemen that had originally suggested that we go down there.

THE COURT. Who went down with you?

THE WITNESS. Joe Brilliant, G. M. Patton, Tony Sirocuse, and myself.

THE COURT. All right.

THE WITNESS. And they agreed to it, and that was when the money was raised.

By MR. MOLL:

Q. Was this before the organization of your association or simultaneous with it?—A. Well, it's altogether—I mean, the money itself was raised before the actual organization. I mean, it was all fitted in pretty closely together.

Q. Well, in reality, there were how many contributors to that fund? Were they the ones you mentioned earlier this evening?—A. The ones I mentioned, yes.

Q. There are about nine contributors?—A. That's right, sir.

Q. Seven of whom contributed \$650?—A. That's right, sir.

Q. In checks, as you described?—A. Yes, sir.

Q. And two of whom contributed \$250?—A. Either \$225 or \$250, whatever the additional amount would be to make up \$5,000.

Q. That would be \$225 each?—A. Yes, sir.

Q. Now, those checks were drawn by the various payers, made payable to cash, endorsed by the payers, and turned over to you?—A. That's correct, sir.

Q. You endorsed all the checks?—A. Yes, sir.

Q. Now, what did you do with those checks?—A. I cashed them at the Detroit Bank, State and Griswold.

Q. Did you cash them first or attempt to present those checks?—A. Honestly, I don't remember, but I don't recall trying to give the man the checks.

MR. WATSON. Suppose he goes back to his own language, then, and we can pick it up.

MR. MOLL. All right, you tell us your version of it.

MR. WATSON. You came back and raised the money?

THE WITNESS. That's right.

MR. WATSON. And in the meantime LoCicero was hired to do the legal work; is that correct?

The WITNESS. Yes, LoCicero was hired about that time.

The COURT. Did he know that situation?

The WITNESS. No, sir; he did not.

The COURT. What?

The WITNESS. No, sir; he didn't.

The COURT. Who knew you raised the funds besides the ones who contributed?

The WITNESS. Well, actually, I think it got to be fairly common knowledge among the operators themselves that the money had been raised.

The COURT. Why didn't you let LoCicero know it? He was your attorney.

The WITNESS. Yes, he was, but we didn't place too much confidence in him at the time. We hired him purely on the basis of doing the mechanical work of the association.

The COURT. Did you ever tell him afterwards. Does he know it now?

The WITNESS. I believe he does.

The COURT. I didn't understand you.

The WITNESS. I believe he does.

The COURT. Why do you believe it?

The WITNESS. Well, I discussed it with him.

The COURT. You told him you paid it?

The WITNESS. Yes, sir.

The COURT. You told him you raised the fund and paid it?

The WITNESS. Yes, sir.

The COURT. All right, we will take it up later.

By Mr. MOLL:

Q. All right, now, you came back from Cleveland after this proposition by Presser?—A. Yes, sir.

Q. Raised the money in the manner you described?—A. Yes, sir.

Q. And then what happened—strike that. The organization was formed about that time.—A. About that time.

Q. And then what happened?—A. Well, after the money was raised, it was either prior to the initial meetings or shortly after, I am not certain exactly as to which, but I paid the money to Bill Presser in the form of cash.

Q. Where?—A. In the Statler Hotel.

Q. In whose room?—A. It was on the mezzanine of the hotel, sir.

Q. Who was with you?—A. Nobody at the time I actually gave him the money. There was no one with me, sir.

Mr. WATSON. Who went down there with you?

The WITNESS. Well, that I don't recall, sir.

Mr. WATSON. Sirocuse?

The WITNESS. It is possible Sirocuse went down with me, or Pat, or I was accompanied by some of the other operators.

The COURT. Speak louder, please.

The WITNESS. I say, it is possible I was accompanied by some of the other operators at the time. I would say I was accompanied by some operators, but to specifically name the men there at that particular meeting, I wouldn't be too sure.

The COURT. Where did you get the money before you took it over to the Statler?

The WITNESS. I got it at the Detroit Bank, cashed the checks at the Detroit Bank.

The COURT. Cashed the checks during banking hours?

The WITNESS. Yes, sir.

The COURT. Carried the cash around with you?

The WITNESS. Yes, sir.

The COURT. What time did you pay it off?

The WITNESS. Oh, I would say sometime around noontime, something like that.

The COURT. In the daytime?

The WITNESS. Yes, it was in the daytime.

By Mr. MOLL:

Q. Now, leaving the details of the payment just for a minute, what was the money paid for?—A. Well, actually it was paid for this, to show how to integrate an association with a union.

Q. Had this local ever been organized at that time, or was it just chartered?—

A. I believe it was chartered at that time, sir.

Q. At that time?—A. Yes; it had been just prior to that. I won't say just prior to that, but about a year, I think prior to that, there was a union with a federal charter that just broke up. and I believe that charter lay dormant and whether they picked that up or granted a new charter, or what the set-up was there, I don't know, sir.

Q. Who was influential in either reviving the old or getting the new charter?—A. Well, there was—one was Mr. Presser, and I imagine Mr. James and Mr. Sirocuse, and Mr. Ciaramitaro—I mean they did—they met on the union matter. Actually, I have no connection with that, sir, I mean, what the details of it were, how it developed, I don't know. The next time I saw it it was there, and we were sitting down in a room to negotiate a contract. That's what they claimed it was.

Q. Why did you consider it necessary to integrate your association with the union?—A. Well, because of the fact, sir, the operators—let's say it this way: The operators within the association themselves could be—controlled is not a good word, but they could be kept in order by the association, by means of our arbitration board keeping them from jumping one another's spots, but that offered no protection to the operators from the man who is outside the association. That becomes a union argument there, I mean, in the location there is nonunion help and union help.

Q. Well, of course, the union wanted to assume some control over these boxes, didn't they, and they were going to exact some sort of a toll or tribute in some manner. At least, you understood that?—A. Well, yes. I wouldn't say to exact a toll or a tribute. They figured they had to have the necessary moneys to run the union, and the way it looked to me, when I found out what it was going to be, it looked quite high. I know it's high for \$15 a month dues. One of the fellows that works at our place, what I pay there, it is high. There is no question about that.

Q. Well, then, the actual organization of the association was effected through your early meetings and the employment of LoCicero, right?—A. Well, yes, the actual plan of the thing was laid out by the people from Cleveland.

Q. Presser?—A. The bylaws and rules and regulations.

Q. That was Presser and Dixon?—A. Dixon, as far as the association is concerned. Presser represented the union.

The COURT. Was Dixon a lawyer?

The WITNESS. No, sir.

Mr. WATSON. He's an operator in Cleveland.

The COURT. The mechanics of the association were completed?

The WITNESS. The mechanics of our association, incorporating it and writing our initial incorporation minutes and that, sir, was done by LoCicero.

By Mr. MOLL:

Q. Then the procurement of the charter was left to Tony Sirocuse and Sam Ciaramitaro—how do you pronounce that?—A. Ciaramitaro.

Q. Ciaramitaro, working with James and Presser.—A. Well, I wouldn't say that, sir, because I don't know. I know that they had meetings and that Sirocuse and Sam C. did attend them, but how the actual charter was procured, I don't know, sir.

Mr. WATSON. Now, do you want to reconsider your previous testimony about Mr. Hoffa? Did Mr. Hoffa have anything to do with the set-up of the new organization, working it through an AFL plan?

The WITNESS. Let's see, how I can answer that.

The COURT. Speak up loud.

The WITNESS. Yes, sir, I will.

By Mr. MOLL:

Q. Well, how did Hoffa come into the picture?—A. Well, the only thing that I can give you on that, sir, is what I have heard, not actually what I have seen.

Mr. WATSON. Tell us what you heard.

By Mr. MOLL:

Q. Give us your version?—A. Well, it won't even make good sense.

The COURT. He figures in somewhere, but I don't know where, sir.

The COURT. Give us how you figure it.

By Mr. MOLL:

Q. Isn't this part of the picture—was there another payoff to the Detroit crowd? Wasn't there a later pay-off?—A. If there was, I have no knowledge of it.

Q. Was there a payment of \$6,000?—A. If there was, I have no knowledge of it.

Q. Intended partly for Hoffa, partly for James, partly for Dixon?—A. No, sir, if there was, that is absolutely something I have no knowledge of. The only payoff in that direction, the only one I do know of, was the one I was unfortunately the agent for.

MR. WATSON. You have this situation to consider: You go down, Presser is the organizer and business agent with experience in this field. He comes up. Obviously, he has to set it up through the local AFL people. His union in Cleveland can't handle your situation here. It's got to be a new local or an old charter picked up and activated, and you have got to see, perforce, the authority of the AFL here. Now, you understand please, as to whom it was in local AFL circles that was contacted, and sat down and helped worked this out besides James, who is, after all, only a business agent.

THE WITNESS. Well, I guess they contacted Hoffa's office.

MR. WATSON. They would have to, wouldn't they?

THE WITNESS. I don't know, sir.

By MR. MOLL:

Q. Well, what do you know about that? What is your version of that, with respect to Hoffa, Brennan, any of the local boys here, in addition to James?—A. Well, there is nothing much more tangible I can give you than that, sir.

Q. Well, you haven't even given us any version at all.—A. I understand that. I mean, I know they must figure in it somewhere, but how they sit, I don't know—even what the reasons for contacting were, or how they fit into the whole picture.

Q. Well, who would know that?

MR. WATSON. Would Mr. Brilliant know?

THE WITNESS. I don't know, sir, he might. Tony Siracuse might. I couldn't positively say they would.

THE COURT. Here, you have got yourself here with \$5,000 in cash. You are over on the mezzanine of the Statler Hotel. You are paying a union agent \$5,000, who comes from Cleveland. He's in foreign territory. He's in Michigan?

THE WITNESS. Yes, sir.

THE COURT. He has no more jurisdiction here, to work that labor situation out, than the fellow over in Windsor, so he is in Detroit and has to go and see somebody, and before he takes the money from you he has a prearrangement. Now, what is the story on that? Who is the man he is contacting?

By MR. MOLL:

Q. What assurances did he give you in connection with the payment of this money?—A. Well, let's see—

THE COURT. You see here, Witness, a beautiful big car with three tires on it, you can't get very far on the road.

THE WITNESS. I understand that, sir.

THE COURT. And a beautiful car with four tires, but no carburetor, you still can't get anywhere. We want the rest of the story.

THE WITNESS. I know. Actually, when this thing started, with our contacts with Cleveland, I was naive enough to think that was it, we were going to pay the \$5,000, they were going to come up and give us a legal bona fide set-up of a union and association, and that's all there was to it. I know there were ramifications, and they hit me like that when the thing began to develop in town, but I wasn't part of it.

THE COURT. What were these ramifications, and we will let you know whether you were part of it. How did they develop? Who did you see? Who talked to you?

THE WITNESS. My only contacts were with Presser and Dixon.

By MR. MOLL:

Q. And with James?—A. And with James, yes, sir.

MR. WATSON. Where did James come from? Did he work in Cleveland previously, do you know?

THE WITNESS. Not to my knowledge.

By MR. MOLL:

Q. Who selected James to head this union to be organized?—A. I believe that was at Presser's selection.

Q. Well, a part of your deal with Presser was you would organize an association, right?—A. Yes, sir.

Q. To work in close collaboration with a union or a local to be organized, right?—A. Well, to work in close collaboration.

Mr. WATSON. It's actually integration of local and association?

The WITNESS. They are still very much separate entities.

By Mr. MOLL:

Q. Sure they are, but the idea was, when you became a member of the association you were automatically a member of the union?—A. That's correct, sir.

The COURT. The association is one sprocket, the union is another sprocket, and they are meshed—the wheels turn together, one meshed into the other.

The WITNESS. In one fashion, they do. If a man joins our association, he must become a member of the union under our contract, but the reverse is not true. I mean, he can join the union and doesn't have to become a member of our association.

By Mr. MOLL:

Q. But that's a very rare instance, isn't it?—A. It is, sir, but it is nevertheless possible.

The COURT. What names of the union were mentioned here in any of these conferences or conversations, other than James? What names came into the picture? Hoffa's name came in.

The WITNESS. Yes, sir; it did.

The COURT. Brennan's came in.

The WITNESS. Yes, sir; it did.

The COURT. How did they get into the picture? Who mentioned them?

The WITNESS. Presser and James.

The COURT. What did James say about Hoffa and Brennan or either one of them?

The WITNESS. Well, I don't remember, sir.

The COURT. What did James tell you? How much of that \$5,000 was James getting?

The WITNESS. As far as I knew, nothing, sir?

The COURT. What?

The WITNESS. As far as I knew, nothing.

The COURT. How much was Hoffa getting?

The WITNESS. As far as I knew, nothing. I don't know. I mean, I paid it to Presser.

The COURT. You are not carrying on this business for charity, your own business?

The WITNESS. No, sir.

The COURT. What do you suppose this Hoffa is doing? You are trying to keep this territory for your association, aren't you, and the members of it, aren't you?

The WITNESS. Well, it was originally planned—

The COURT. You wouldn't want somebody hiking over from Canada to cut in on your territory, would you, and it's safe to say Hoffa and Brennan are not going to have anybody cutting in on their territory? Here's a man coming up from Ohio. Who does know about this?

The WITNESS. I mentioned four names as a possibility.

The COURT. You know James knows it.

The WITNESS. I mentioned James' name.

The COURT. He knows it, doesn't he?

The WITNESS. He should know it, he's a union man.

By Mr. MOLL:

Q. Let's put it this way: Did you ever meet Hoffa, talk to him?—A. No. As I said before, I can't recall ever meeting the man.

Q. Did you ever meet Brennan, Bert Brennan?—A. Other than the one instance I mentioned, I don't believe I ever saw the man.

Q. All your dealings were with James?—A. That's right, sir.

Q. The money raised in the method you described was all paid over to Presser?—A. Yes, sir; it was.

Q. Was any part of it paid to James?—A. Not to my knowledge. Let me think back on that one.

The COURT. Would you like to go to the hotel tonight? Would you like to go to the hotel tonight, or would you like to go over to the county jail?

The WITNESS. No, sir; I would like to be home tonight.

The COURT. You'd better step on the gas here. Let's have the story.

THE WITNESS. Your Honor, I am trying to give you as complete and accurate a story as I possibly can. I mean, I can't expect you to believe me, but I am actually trying to do the thing that is right, and should have done it in the first place. It has many ramifications, believe me, in my own business. It's going to hurt me personally in many, many ways, there's no question about that.

By Mr. MOLL:

Q. I doubt that very much.—A. Well, I can prove that to you, that it will.

Q. I doubt it very much.—A. Because, actually today, this one business that I started as the distributor for this area, I am not the prime distributor of it. I am a subdistributor of it. The original contract on the thing belongs to Mr. Dixon. I had a year's contract with him on the thing to distribute this merchandise, and I have invested a lot of money in that business, and I don't think I will have it after this thing is over. I am sincere in my belief of that.

Q. Well, now, coming back to Detroit, Presser and Dixon came up here the latter part of January and first of February 1945.—A. Yes, sir.

Q. How long were they here?—A. I would say about three or four days.

Q. During that time, Dixon stayed where?—A. I believe he stayed at the Statler, sir.

Q. Where did Presser stay?—A. I believe he stayed at the same hotel.

Q. Now, during their stay here in Detroit, you went to Dixon's room or Presser's room?—A. Yes, sir.

Q. At what you think was the Statler?—A. Yes, sir.

Q. Now, isn't it true you took these checks to the room with you in an envelope?—A. That may have been, sir, but I don't recall it.

Q. Didn't they refuse checks?—A. Well, it seems to me that that's so.

Q. What?—A. It seems to me that that's so, sir.

THE COURT. Well, you know it is so, don't you, Witness?

THE WITNESS. Pardon, sir?

THE COURT. You know that's so. There's where you met Hoffa, isn't it?

THE WITNESS. No, sir. Your Honor, I never met Hoffa.

THE COURT. Well, who did you meet when you brought the checks over?

THE WITNESS. Well, sir, you are trying to bring out a point, sir, that I can't actually—

THE COURT. Why they told you when you brought the checks over—in other words, they were too smart to take a check and told you to go back and cash them?

THE WITNESS. Your Honor, I suppose—is there any way of talking informally or any other way?

THE COURT. Do you want to take it off the record?

(Discussion off the record.)

By Mr. MOLL:

Q. Now, let me put this question to you: Isn't it true that in the payment of this \$5,000 to Presser, it was agreed a portion of it be paid to Dixon, and a portion to James?—A. No, sir.

Q. Wasn't that to be a three-way split?—A. No, sir, not to my knowledge.

Q. Well, you had knowledge of all the preliminaries, didn't you?—A. Yes, I did.

Q. Did you ever hear that discussion?—A. No, sir.

Q. The reason for the price was it was going to be a three-way proposition?—A. No, sir.

Q. Well, was that so?—A. I don't believe so, sir. I actually, in my own mind, don't think Mr. Dixon got any part of that money.

Q. Did James get any part of it? Wasn't that the deal, James and Presser were to get it, if not, Dixon?—A. No, it was not a prearranged deal, to my knowledge. Our original arrangement was to pay Bill Presser a fee of \$5,000.

Q. Did James make the contract with Presser originally?—A. No, as I stated originally we did.

MR. WATSON. Did you know James before you went to Cleveland for that meeting?

THE WITNESS. Yes, I had met him before that.

MR. WATSON. What was he doing?

THE WITNESS. Well, as I recall at the time, he was part of the laundry workers' union.

MR. WATSON. Did you ever discuss the tentative set-up with him before you went to Cleveland?

THE WITNESS. Yes, sir, I have. I mean—

Mr. WATSON. Talked about the possibilities of an AFL union local to work out something in connection with the distributors, operators of record phonographs?

The WITNESS. Yes, sir, I had.

Mr. WATSON. Well, now, was it his suggestion you go to Cleveland to look over the set-up there?

The WITNESS. No, sir, it was not.

Mr. WATSON. Did he go to Cleveland with the group that went there?

The WITNESS. No, sir, he didn't.

Mr. WATSON. But he had expressed himself as being interested or available in the event you worked it out?

The WITNESS. Well, no, I don't—I wouldn't put it quite that way.

Mr. WATSON. How would you put it?

The WITNESS. In this way, that prior to the inception of this thing, there had been a union charter granted to somebody.

Mr. WATSON. About a year before that.

The WITNESS. About a year before that, a federal charter, and there were just minor people in there, that to me looked very much they belonged to this Italian clique that was in town.

Mr. WATSON. James wasn't in it?

The WITNESS. At that time, no, he was no part of it. Then this thing lay dormant and I discussed this as a possibility of picking up that charter and just holding on to it, so that somebody else wouldn't get it, and we could use it against our business.

Mr. WATSON. You discussed that with Mr. James?

The WITNESS. Yes.

Mr. WATSON. Did he think it was a pretty good idea?

The WITNESS. Yes, sir, he did at the time. He indicated as much to me at that time, that he didn't know what the music business was, he didn't know what the problems of the business were, anything about it.

Mr. WATSON. He worked for Isaac Litwak in the laundry and linen drivers' union?

The WITNESS. I don't know who he worked for, sir, but he said that if he did become interested in the music business that he would run a union and run it right, and run it free from any entanglements with any Italian people. That is the gist of what he indicated.

Mr. WATSON. So when you talked with Presser about giving you the ideas, and aiding in the set-up, you were able to tell Presser you had a guy in mind who might fit in the picture from the union side pretty well.

The WITNESS. Well, no, I didn't tell that to Presser.

Mr. WATSON. Well, how did you get Presser and James together? Did you introduce them?

The WITNESS. I didn't get them together, sir.

Mr. MOLL. Who did?

The WITNESS. Actually, I am not positive. I would say that Sam C. did.

The COURT. Who?

The WITNESS. Mr. Sam Ciaramitaro.

By Mr. MOLL:

Q. Where, here or in Cleveland?—A. In Detroit, sir.

Q. During the visit of Dixon and Presser?—A. That's right, sir.

Q. The latter part of January or first of February, or before that?—A. Right around in January, at the beginning of this thing.

Q. Hadn't the union already been organized by the latter part of January?—A. Well, actually, I don't know, sir. I know that those—

Q. Well, you entered into a contract with the union on the 26th of January 1945.—A. Yes, sir, I know that, but I mean it was about the time that all the rest of this was happening, on their visit up here.

Q. Well, how long were they here? They were here January 30th and 31st. How long before that did they come on here?—A. May I ask this here? The date of that one general meeting—they were here during that time for a period of some days.

Q. But your union contract signed on behalf of the union by James and on behalf of the association by Brilliant and Patton is dated January 26th, 1945.—A. That's right, sir.

Q. Isn't that right?—A. That's right. I believe at that time that Mr. Presser came back to sit in on that meeting.

Q. Then Presser had been here early in the month of January?—A. That's right, sir.

Q. And came back the latter part of the month, right?—A. That's right, sir.

Q. Who paid his expenses on here?—A. To my knowledge, nobody did, sir.

Q. Did the association pay them?—A. No, sir.

Q. Did the association pay Dixon?—A. No, sir.

Q. They would come for nothing except this \$5,000 to Presser?—A. Yes, sir.

Q. Well, now, on either of their visits was the local situation discussed as it pertained to other people in the union here?—A. How do you mean that, sir?

Q. Well, in discussing the organization of a new local, didn't they have to get the approval of Joint Council 43? Was that name mentioned?—A. Not that I can recall, sir. I believe, as I recall it, that they had to get the approval of the Electrical Workers Union. I believe our business is under that jurisdiction.

Q. Do you know whether this local is a Teamster affiliate or not?—A. Actually, I don't know, sir.

Q. Well, was it suggested you had to get the approval of anybody?—A. Well, other than what I have stated as to the electrical workers union——

The COURT. You seem to be bogging down here.

The WITNESS. Your Honor, I am not trying to, really I am not.

The COURT. You had better step up.

The WITNESS. I don't want to keep you here any longer than I have to, or myself.

The COURT. I think we had better give him about five minutes recess.

(Recess.)

By Mr. MOLL:

Q. Well, now, we will leave that line of questioning for a minute, and tell us in your own words what your dealings with James are, your financial dealings?—A. My financial dealings?

Q. On behalf of the association or the union or personally. Now, we know that James has done very nicely financially for himself lately, and would like to have your version of your dealings with him.—A. Well, from the association standpoint there just isn't actually anything.

Q. What do you mean there isn't actually any?—A. Well——

Q. Now, we know James has been paid off, and we know several instances of it. If you are going to tell us the whole truth, you will tell us what you know about it and what part you played in it.—A. Well, there was one incident of a contribution to Mr. Jeffries' campaign fund, I mean that was actually paid by the association—paid out for some handbills or something. I mean, it wasn't paid directly to Mayor Jeffries' campaign fund, but to some advertising company.

Q. What did James have to do with that?—A. Other than instigate it, nothing actually, I guess.

Q. Well, he instigated it?—A. That's about the size of that.

Q. How much was he paid?—A. Well, actually he wasn't.

Q. Well, how was it handled?—A. There was a check made out from the association, made out payable to this particular company. I don't recall the name of the company.

Q. What was the date of the check, the fall or summer of 1945?—A. It would be in the time of the Jeffries campaign.

Q. Skip that for a moment. Why did James instigate this payment to Jeffries' campaign?—A. Well, I believe maybe because the AFL was endorsing Mr. Jeffries.

The COURT. Would you mind talking up loud?

By Mr. MOLL:

Q. How did he approach the association members?—A. Just said he thought it would be a good idea for us to contribute to that fund.

Q. How much money was raised?—A. Well, there wasn't actually anything raised. It was right from the fund of the association.

Mr. WATSON. How much was it?

The WITNESS. \$1,000.

The COURT. How much?

The WITNESS. \$1,000.

Mr. WATSON. Was that paid to L. L. Markowitz, do you remember?

The WITNESS. No; I don't believe so. Markowitz made some ads for us, printed year books for our annual banquet.

By Mr. MOLL:

Q. Well, was the money turned over to James?—A. The check was; yes, sir.

Q. Payable to whom?—A. Some advertising company, sir; but I don't know the exact name of it.



Q. Well, was it the Safron Press?—A. I don't recall the name. I could probably identify the check or identify the entry.

Q. Well, where are your cancelled vouchers?

Mr. GARBER. Right here.

Mr. WATSON. October 31, 1945, there's a check for \$1,065.15. Does that sound like it?

The WITNESS. I don't know what the \$65.15 would be.

Mr. WATSON. Wait a minute. That's a month-end posting for advertising for the month of October.

By Mr. MOLL:

Q. Here's \$1,000 to American Distributing Company. What's the American Distributing Company?—A. As I understood it, it was an outfit that printed and distributed handbills.

Mr. WATSON. What date is that?

Mr. MOLL. October 12, 1945, American Distributing Company, \$1,000 check of Michigan Automatic Phonograph Owners Association, Incorporated, Chapter 1, number 137, Joe Brilliant.

By Mr. MOLL:

Q. Now, what other money was paid to or through the instigation of James? You might just as well tell us the story.—A. I am not hesitating any more. I am frankly just trying to remember now. If I may consult that book, maybe it would help refresh my memory.

Mr. WATSON. Which book?

The WITNESS. Anything that will tell me how the expenses were paid out.

Mr. WATSON. Well, they are broken down under the various counts, see. Here are all your journal postings.

By Mr. MOLL:

Q. Well, for instance, here's your check 100, signed by Brilliant, countersigned by you, made payable to Joseph Brilliant, endorsed by Brilliant, James, and Shirley Hunt.

Mr. WATSON. How much is that check?

Mr. MOLL. \$500.

Mr. WATSON. Who was Shirley Hunt; do you know?

The WITNESS. No, sir; I don't.

By Mr. MOLL:

Q. What?—A. I don't know who she is, sir.

Mr. WATSON. Any association in names?

The WITNESS. That would be an association of one name there, sure, E. C. James. No, sir; I don't know why that check was issued.

Mr. MOLL. What's your corresponding entry?

Mr. WATSON. We don't have a check register. Have you a check register here?

Mr. GARBER. No; over in the office.

By Mr. MOLL:

Q. Now, I will show you two further checks number 119, September 18, 1945, payable to Michigan Automatic Phonograph Owners Association, Incorporated, in the amount of \$1,754.50; another check number 123 dated September 24, 1945, the same association, amount \$1,297.90, both of them endorsed by the association.—A. Well, they are merely transfer checks from the local association to the state association, sir.

Q. For what purpose?—A. Well, all the dues are received by the local association, that is, the 30 cents, and 10 cents of that is due to the state association, and it is transferred and redeposited into the state association account. There are actually two bank accounts, one for the state association and one for the local.

Q. These checks were drawn on your own association, Chapter 1.—A. That's correct, sir; drawn from the Chapter and made payable to the state association.

Q. All right; who is Thomas A. Kinsworthy?—A. He's our accountant, sir.

Mr. WATSON. For the record, check number 100 shows in what is the equivalent of a check register, under the title "cash disbursements" as being charged to account 63 under General Ledger Distribution. Account number 63 is entitled "Promotional Expense," and that's a check which is in with the month and footed \$587.60 for the month of August 1945, which is four or five times larger than any other item of promotional expense listed.

By Mr. MOLL:

Q. Well, can you give us any information on that check?—A. No, sir; I can't.

Q. You countersigned it, didn't you?—A. Yes, sir; I did.

Q. What is your best recollection of it?—A. What was the date of the check, sir?

Mr. WATSON. That was August 28th, 1945.

By Mr. MOLL:

Q. Well, going on for the moment, what other financial transactions did you have with James?—A. Well, I have personally loaned him money, sir, which I stated before.

Q. The association bought him a new car, didn't it?—A. No; not as the association; no, sir.

Q. All right. What's the story on the new car?—A. There is no story on the new car, sir.

Q. Well, what happened? He got a new car as a present, didn't he?—A. No, sir.

Mr. WATSON. What was the answer?

The WITNESS. No, sir. He didn't get a new car as a present.

Mr. WATSON. Did he get a used car, almost new—did he get an automobile in which the association or some of the members—

The WITNESS. Your Honor, I wouldn't try to quibble on the point. If the man were given a car by the association, whether new, used, indifferent, bad, or good, I would say he was given an automobile. He has a Buick today. He had a Pontiac shortly before that. He had a 1941 Pontiac before that.

Mr. WATSON. Do you know anything about his acquisition of the Buick?

The WITNESS. No, sir.

Mr. WATSON. Have you heard anything?

The WITNESS. I have heard this: "This is the automobile that the association bought me."

By Mr. MOLL:

Q. Who said that?—A. James.

Q. Yes. To whom did he say it?—A. Well, he said it to me.

Q. When?—A. Well, as late as about a week ago, when I asked him where the dickens he got the Buick.

Q. Referring to a new 1946 Buick?—A. Yes, sir.

Q. What did he mean by that remark?—A. Well, the inference could have been two things, either because of the money he was getting from the union dues, or from the gifts that he had received around Christmas time.

Q. Well, what gifts did he receive around Christmas time?—A. Well, he received gifts in money.

Q. From whom?—A. From the phonograph operators.

Q. As an association?—A. No; as individuals.

Q. How substantial?—A. The actual amount I don't know, sir.

The COURT. What did you contribute?

The WITNESS. Offhand, I don't recall, sir.

Mr. WATSON. How close can you come to it?

The COURT. Don't you recall the present you gave your wife last Christmas? Have you forgotten the present she gave you?

The WITNESS. Yes, sir; I think I can remember that.

The COURT. What present did you give him?

The WITNESS. Well, I actually—I gave myself, personally, I gave James an ashtray and lighter for his desk.

The COURT. What contribution did you give in coin of the realm?

The WITNESS. We will estimate it as \$100.

The COURT. What?

The WITNESS. We will estimate it as \$100.

The COURT. He couldn't buy a car with an ashtray?

The WITNESS. No, sir; that's true.

By Mr. MOLL:

Q. How much money did you give him?—A. Well, I am estimating, sir. I would have to refer to my own records back about that time.

Mr. TRAVIS. Were the gifts made individually, or did somebody go out and collect the money and give it to him as a purse?

The WITNESS. It was given to him as a purse.

Mr. TRAVIS. Who was in charge of that solicitation?

The WITNESS. I don't remember, sir.

The COURT. Well, I think this gentleman had better step out to one side and do some thinking. We have a couple more witnesses, haven't we?

The WITNESS. Sir, it would be one of the members of the board of the association.

The COURT. Look here, Mister, you testified here earlier in the evening, and on the motion of counsel——

The WITNESS. Yes, sir.

The COURT. I was willing to overlook some things you said.

The WITNESS. Yes, sir.

The COURT. Now, I don't want that thing to happen any more. Let's tell the truth and tell it fast.

The WITNESS. Your Honor, it is not happening.

The COURT. How much of a purse did you give him?

The WITNESS. I don't know how much.

The COURT. Was it \$10,000?

The WITNESS. No, sir.

The COURT. How much was it; the approximate figure?

The WITNESS. The approximate figure?

The COURT. Give us the approximate figure, and then the man who handled the bag?

The WITNESS. The approximate figure, I would say, would be \$2,000.

By Mr. MOLL:

Q. Who raised it?

The COURT. There's no use quibbling on that stuff. Who raised it, who contributed, and who took the money to him?

The WITNESS. The members of the association.

The COURT. That's a damned long way from an ashtray.

By Mr. MOLL:

Q. Who delivered the money to him?—A. I don't know, sir.

Q. Did you?

Mr. TRAVIS. All right; who would be apt to?

The WITNESS. All right; who would be apt to? I would say possibly Joe Brilliant did it.

Mr. TRAVIS. That wasn't the first time a fund was raised for James, was it?

The WITNESS. Yes, sir.

Mr. TRAVIS. The only time?

The WITNESS. To my recollection; yes, sir.

By Mr. MOLL:

Q. We want a definite answer. Now, it isn't so usual that you are paying off business agents that you wouldn't recollect when the gouge was put on you, see. When was the first money that you know of that was paid to James after the formation of your association?—A. As I recall, at Christmas time.

Q. Well, first of all, he instigated, as you say, a contribution to the Jeffries campaign for \$1,000?—A. Yes, sir.

Q. And this check you just referred to was made how? Who was it delivered to?—A. That I don't know, sir.

Q. Was it delivered to James?—A. You are referring to this \$500 check?

Q. No; I am referring to the \$1,000 check?—A. The \$1,000 check was made out to the American Distributing Company.

Q. Delivered to him?—A. It was given to Mr. James.

Q. Why?—A. Well, he was going to take care of the transaction, sir.

Q. What was the transaction?—A. As I understood at the time, the AFL had endorsed Mr. Jeffries for mayor, and his wife was picking up subscriptions for donations to his campaign fund.

Mr. TRAVIS. Jeffries' wife?

The WITNESS. Yes, sir. That was the story we were told.

Mr. WATSON. Say, at this point, do you want to tell us what you know, as treasurer of this organization, about this check for the sum of \$2,000 to Mr. Brilliant, entered in General Ledger Distribution as Membership Equity, written the 31st of August this year? What's that for?

The WITNESS. Actually it's money that was given to Mr. James by Mr. Brilliant, and Mr. Brilliant wanted to be reimbursed for it. The association gave it to him.

By Mr. MOLL:

Q. When did Brilliant give him the money?—A. Approximately a month prior to that.

The COURT. What for?

The WITNESS. Yes, about a month before.

The COURT. What for?

The WITNESS. Well, we understood at the time that there was a CIO union about to begin, and that was used to stop it.

The COURT. How?

The WITNESS. By paying off the man who could start it.

The COURT. Who started it?

The WITNESS. That I don't know, sir.

The COURT. Who did Brilliant pay it to?

The WITNESS. To James.

The COURT. Was it a squeeze play between James and a straw man in the CIO where he got \$2,000 by that subterfuge?

The WITNESS. That I don't know, sir.

The COURT. Now, you see here, don't you, Witness—

The WITNESS. Yes, sir.

The COURT. That we are getting this story out of you with the utmost waste of time. You have got a lot of information that you are not giving us, and the information you are giving us we are only dragging out of you. Now, we have all your books, and we are going to get this full story.

The WITNESS. Yes, sir; I believe that.

The COURT. Now, you are willing to tell us. You are only willing when we get you on the dotted line. That must be apparent to you. Now, you have given this man \$5,000, and \$2,000 was given to him at Christmas time, and right here now, \$2,000 more was given to him. Do you know what he did with the \$2,000?

The WITNESS. No, sir.

The COURT. Do you actually know what James did with the \$2,000?

The WITNESS. Actually I don't know what he did with the \$2,000.

The COURT. How was the \$2,000 paid to him, cash or by check?

The WITNESS. That I don't know either.

The COURT. Who paid it to him?

The WITNESS. Joe Brilliant.

Mr. WATSON. Suppose we let this man rest a while.

Mr. MOLL. Let's conclude these transactions.

The COURT. There's \$5,000—

Mr. MOLL. That was given to Presser.

The COURT. Yes; but \$5,000, \$2,000 at Christmas, \$2,000 in August, and a car.

Mr. MOLL. And \$1,000 to American Distributing Company, delivered to him, and a \$500 check endorsed by him and—

Mr. WATSON. \$5,000 loan on his house.

By Mr. MOLL:

Q. Do you want to stand on your former testimony of the \$5,000? Was that a loan?—A. Yes, sir.

Q. Was that a loan or payment?—A. Loan.

Q. You have a note?—A. Evidenced by a note.

Q. Does the note appear on your books?—A. Yes, sir; a check written from my personal account.

Q. You have a personal memorandum of it?—A. I have a memorandum of the repayment of \$3,000.

Q. Have you got that note in your office now?—A. Yes, sir; I have.

Q. You could put your hands on it if you went over there with an officer?—A. Yes, sir; I could.

Q. You could produce the note?—A. Yes, sir.

Q. That's the only book entry or only evidence that you have of the obligation?—A. That's right, sir.

The COURT. Did you pay him the \$5,000 in the form of a check or cash?

The WITNESS. In the form of a check, sir.

The COURT. Have you got the check?

The WITNESS. Yes, sir; that would be at home in my personal records.

The COURT. You have got that?

The WITNESS. Yes, sir.

Mr. WATSON. Before we have to do any more delving the hard way, which is easy when we work out these books, because we are not children, do you want

to tell us of any other items that went to Brilliant—not Brilliant, but James, regardless of the purpose?

Mr. TRAVIS. Regardless who paid it.

Mr. WATSON. Anything within your knowledge. Let's get it all, because anything from this point on that you tell us, that you happen to omit, this court has the right to consider it is something you are attempting to conceal, and proceed accordingly.

The WITNESS. I am not attempting to conceal anything.

Mr. TRAVIS. All right, start in right now and tell us.

The WITNESS. Here's the thing. I can take those checks and go through them, and pick out items I know, but to remember them back over a year's period, it is difficult.

The COURT. Is it difficult to remember a \$2,000 contribution by Brilliant to James last month? Is that difficult?

The WITNESS. No, sir; that is not.

The COURT. Now, why didn't you tell that voluntarily?

The WITNESS. I was discussing other items here, sir.

By Mr. MOLL:

Q. Now, we are right on Mr. James and right on the financial transactions, you or the association had, or the members. Is there anything you want to add to your testimony? Who else do you know paid him any money or advanced him any money.

The COURT. Or loaned him any money?

The WITNESS. Well, I guess Mr. Brilliant has loaned him money.

By Mr. MOLL:

Q. That \$2,000 transaction?—A. No; I believe he has loaned him other moneys than that.

Q. How much?—A. That I don't know, sir.

Mr. TRAVIS. That \$2,000 is not a loan, is it?

The WITNESS. No; I am not talking about that.

By Mr. MOLL:

Q. How much?—A. I would say about \$3,500, if I recall correctly.

Q. When?—A. Right about the same time I loaned him \$5,000.

Q. That was from four to six months ago?—A. Something like that, sir.

Q. Is that all you know about?—A. Well, I believe that Max Marston has loaned him money.

Q. Who is Max Marston?—A. Marston Distributing Company, sir.

Q. Well, now, who else—strike that. How much did Max Marston advance him?—A. I don't actually know, sir.

Q. Approximately?—A. There could be any amount.

Q. What is the source of your information?—A. I know when Jimmy bought his home that he went to three people to try and solicit money from them. I know he got some money from me. I am pretty sure he got some money from Brilliant, and I am also fairly sure he got some money from Max Marston.

Q. Now, look, regardless of whether you have got his note, this was not considered a loan, was it?—A. Yes, sir; it was actually.

Q. The intent of it was a gift or a payment to James, wasn't it?—A. No; it was not.

Q. With no expectation of repayment?—A. No, sir.

Q. You have never had a cent back from him?—A. Yes, sir; I have.

Mr. WATSON. Can you show a corresponding bank deposit when you got the \$3,000 payment?

The WITNESS. I would say I believe I could.

By Mr. MOLL:

Q. You never got a dime back from him, isn't that the truth?—A. No, sir.

Q. What did you do with the \$3,000 he returned to you?—A. I told him, I believe, I can show a corresponding bank deposit for it.

Q. The same day, the next day?—A. It should be right in that time, sir.

Q. It should be.—A. Within a few days.

Mr. WATSON. Sure, it should.

Mr. MOLL. Well, let's take a little interlude here.

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Friday, September 13, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Ralph Garber, Assistant Prosecuting Attorney; Mr. Samuel L. Travis, Special Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

2:00 a. m.

JOSEPH BRILLIANT, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

- Q. Will you state your full name, please?—A. Joseph Brilliant.
- Q. Where do you live?—A. 18672 Northlawn.
- Q. Married?—A. Yes, sir.
- Q. Do you live there with your family?—A. Yes, sir.
- Q. How long have you lived in Detroit?—A. 35 years.
- Q. What is your age?—A. 41, sir.
- Q. What is your business?—A. Operate a music company.
- Q. Known as what?—A. Brilliant Music Company.
- Q. Where is it located?—A. 4606 Cass Avenue.
- Q. How long have you been in that business?—A. I would say approximately 14 years.
- Q. Is your company a corporation or an assumed name?—A. Partnership.
- Q. Who are your partners?—A. William K. Palmer and my brother, Jack.
- Q. Now, what is the nature of your business?—A. Well, the entire thing of it, we operate juke boxes. We also distribute records, needles, and albums, and distribute juke boxes ourselves and sell them for the Rock-Ola Manufacturing Company of Chicago.
- Q. How many boxes do you operate in this territory?—A. Two hundred and—oh, around two hundred and twenty. I may be one or two off, one way or the other—something like that.
- Q. Are you or your partnership a member of the Michigan Automatic Phonograph Owners, Incorporated?—A. I am.
- Q. Are you one of the originators of that association?—A. Yes, sir.
- Q. Do you hold any office in it?—A. I do.
- Q. What?—A. I am president.
- Q. How long have you been president?—A. Since the inception of the new organization.
- Q. That's January 1945?—A. Around there.
- Q. Well—A. I don't know the exact date, but it's around in January 1945.
- Q. Who are the other officers?—A. Victor DeSchryver, Secretary and Treasurer; our present Vice President is George Skinas; Gordon Winters, Jack Baynes, and Frank Alluvot.
- Q. Frank who?—A. Alluvot.
- Q. Who of the officers are authorized to sign checks of the association?—A. The Secretary-Treasurer and myself.
- Q. That is yourself and—A. Victor DeSchryver.
- Q. Are any of the officers on a salary?—A. No, sir.
- Q. What is the purpose of your association?—A. Well, for the betterment of the industry, for the good will between one another, and to get the industry out of the rut where it was, and put it into a stable business.
- Q. What was the cause of the rut?—A. Well, there were a lot of causes to it. Everybody, dog eat dog—everybody jumping one another—have a machine in a location, two days later you get called and find it in the back room, and stuff

of that kind. A bad element walking in, turning around and jumping you all over the lot.

Q. Now, you, on behalf of the association, entered into a contract with local union number 23186 of the Music Maintenance Employees, AFL?—A. We did.

Q. Dated January 26, 1945?—A. Yes, sir; sometime in January.

Q. Is that your signature on the contract?—A. It is, sir.

Q. Do you know Patton's signature?—A. I am sure it is; yes.

Q. Do you know James' signature?—A. No; but he was there, so I guess it is his signature.

Q. Aren't you familiar with it?—A. No, sir.

Q. Did you see him sign this?—A. I think I did. I don't remember off hand, but I saw Pat sign it.

Q. Would you say that's James' signature?—A. I would say it is, but I honestly don't know.

(Thereupon a document was marked "Grand Jury Exhibit 99" by the Reporter.)

By Mr. MOLL:

Q. Now, the contract I just referred to is Exhibit 99; is that correct?—A. Yes, sir.

Q. When was Local 23186 organized?—A. Well, to my knowledge, a little before we signed that contract.

Q. What are the details of the organization of the union?—A. I don't know too much about that. They didn't confide in me.

Q. What?—A. They didn't confide in me, and if I asked them a question, if it's pertaining to his local, if he feels in the mood, he answers it, and if he don't, he don't.

Q. Who?—A. Jimmy James.

Q. Do you know how Jimmy James happened to head up that local?—A. No, sir.

Q. You don't know that?—A. No, sir.

Q. You don't know any of the history of it?—A. Of who?

Q. Of the local?—A. No, sir.

Q. Did you belong to the association that preceded this?—A. Yes, sir; I did.

Q. Were you one of the parties that went to Cleveland to study their system?—A. Yes, sir; I did.

Q. With whom?—A. Let's see, there were Victor DeSchryver, Pat Patton—

Q. Sirocuse?—A. Al Schweitzer and Tony Sirocuse.

Q. The four of you?—A. I think there were five. Didn't I mention four and myself?

Mr. WATSON. Schweitzer, Sirocuse, Vic, Patton, and you.

The WITNESS. That's right; five of us.

By Mr. MOLL:

Q. That's right. Whom did you meet in Cleveland?—A. We met Dixon, who is president of the association, and met Bill Presser, who was head of the union.

Q. What deal did you make with those gents in Cleveland?—A. I didn't make any deal.

Q. What deal was made with them down there?—A. What do you mean?

Q. Just what I say: What deal was made with them down there?—A. I didn't make any deal.

Q. You were in on it?—A. I didn't make any deal with them.

Q. We will find out if you did or not. Did you later contribute \$650 to a fund?—A. I did; yes.

Q. How?—A. \$650 by check.

Q. In what form?—A. In a check.

Q. Drawn on whom?—A. Drawn on cash.

Q. On your company or your personal check?—A. Company.

Q. Who endorsed that check?—A. I think I did myself.

Q. To whom was the check turned over?—A. Vic DeSchryver.

Q. For what purpose?—A. To do anything and help to organize the association.

Q. No, no, no, no. This is where we part company.—A. What do you mean, we part company?

Q. What?—A. What do you mean by that?

Q. Just what I say. You are under oath to tell the truth.

The COURT. You're under oath to tell the truth. The penalty is perjury or contempt of court or both.

The WITNESS. All I can say, I give the money to Vic DeSchryver.

By Mr. MOLL:

Q. For what purpose?—A. What he did with it, I don't know.

Q. We are not going to accept that answer. What was represented to you as the purpose of that contribution?—A. Well, supposed to turn—

Q. We have the whole story. There's no use kidding us. We have had juke-box operators in here now for the last three days. DeSchryver has been in here for the last five hours, so you can kibitz as long as you want to, because we have nothing else to do.

Mr. TRAVIS. There's no use trying to hide behind somebody else's skirts.

The WITNESS. Pardon?

Mr. TRAVIS. There's no use trying to hide behind somebody's else's skirts. You know what that \$650 was for.

The WITNESS. I am not trying to hide behind anybody else's skirts.

Mr. WATSON. Let's put it this way: It was a part of a fund of \$5,000 being raised.

The WITNESS. It was a fund of \$5,000.

Mr. WATSON. And what was the purpose of the fund of \$5,000?

The WITNESS. We wanted to learn how to set up a set-up that's been functioning for seven years properly.

By Mr. MOLL:

Q. Who were you going to pay the \$5,000 to for teaching you the system?—A. I didn't pay anybody.

Q. What was the intent of that fund?—A. To spend it and give it to anybody that will teach us how.

Q. Not anybody. You went to Cleveland. You made a deal in Cleveland. This was carrying out the Cleveland deal.—A. That's right.

Q. To pay Presser \$5,000.—A. Whether he paid him or not, I don't know.

Q. Will you accuse him of not paying it?—A. I don't know whether he paid him.

Q. Do you want to take that position? You were in Cleveland when the deal was made for \$5,000?—A. I was in Cleveland when he said he would show us how to do it.

Q. For \$5,000?—A. He didn't mention the sum to me.

Q. Oh, yes; he did.—A. He didn't to me.

Q. Weren't you at all the meetings?—A. No.

Q. Were you taking a walk?—A. I was in and out of there. He talked individually to us. I saw the books, the set-up.

Q. What did you think you were paying the \$650 for?—A. That was my end of the money to set the thing up.

Q. Set what up?—A. This association.

Q. What did you have to put in \$650 to set up the association for?—A. Well, to protect my business for one, and I thought it was a marvelous idea, for two.

Q. What was so good about it?—A. It operated successfully there for seven years. They didn't jump each other, and dog eat dog—everybody run their own business, took care of their own business. If you would be in our business, you would realize what that meant to a man. At one time we had two trucks going all the time, picking up juke boxes, one fellow jumping another. It was just a cycle hitting us all the time, and today we have 162 members in the association, and everybody leaves everybody alone.

Q. So you got some results?—A. It's wonderful.

Q. Fine.

Mr. WATSON. Did Mr. Presser advise you that he didn't get paid this sum of money?

The WITNESS. No, sir; he did not.

Mr. WATSON. So your assumption is he probably did?

The WITNESS. Well, I didn't see it pass hands, and I wouldn't swear he did or didn't.

Mr. WATSON. You have no reason to believe he didn't?

The WITNESS. No.

The COURT. Did you ever get your money back?

The WITNESS. No, sir; I did not.

The COURT. Did you ever ask for it back?

The WITNESS. No, sir, I did not.

By Mr. MOLL:

Q. As far as you know, the \$5,000 went to Presser?—A. As far as I know, my \$650 is gone.



Q. Put it another way: The five of you who went to Cleveland made this deal with Presser of \$5,000.—A. It was talked about.

Q. That was the deal?—A. It was talked about. I didn't hear him say he would do it for \$5,000.

Q. But later \$5,000 was raised?—A. That's right.

Q. With the intent of having that money paid to Presser?—A. That was the idea of it.

MR. TRAVIS. That's what you gave it to DeSchryver for, to give it to Presser?

THE WITNESS. No, I did not. I gave it to DeSchryver and told him he can do anything he wishes with it, exactly the words I used.

By MR. MOLL:

Q. Where did you give it to DeSchryver?—A. Honestly, I don't remember where I gave it to him.

Q. Your office, his office?—A. I don't remember whether I gave it at his office or my office.

Q. Where do you think you gave it to him?—A. I gave it to him, that I am sure of, but where, I don't know.

Q. Well, how did James step into your picture?—A. Mr. James tried to take over the union fix, eight or ten months prior to the time we had this set-up, or maybe a year, when a little fellow—I wish I could remember his name, I don't remember his name—there was some fellow that had the union prior to him. They had been kicking around every other Wednesday or Thursday, it looked like to me—either the CIO was raiding the AFL, or the AFL was raiding the CIO, which, I don't know. First they had the CIO; then they had the AFL; then they had them both. Then they had the AFL, and then the CIO, and he tried to come in the picture, and we didn't care about the entire picture. After we organized this new outfit, Mr. James came up and he says he had approximately 75 or 80 percent of the industry, would we sign a closed shop contract.

Q. Of course, that was the hokey, wasn't it?—A. Not to my knowledge, it wasn't.

Q. Let's stop for a minute. Was there any discussion down in Cleveland about reviving this union, or getting a new charter for this local up here?—A. No, sir.

Q. There wasn't?—A. Not in my presence.

Q. There was no discussion about James heading up that union?—A. No, sir.

Q. When did you first meet James?—A. I told you about eight months before we had this set-up.

Q. But there was no local at that time?—A. No, sir, he had nothing to do with it. He came up and discussed the thing. We just ignored him.

Q. At your invitation?—A. No, sir.

Q. He was in the laundry workers then?—A. That's when he came up to visit us in the Maccabees Building.

Q. At your request, or the request of some of your members?—A. I had nothing to do with that association.

Q. Did he just walk in on your meeting?—A. No, somebody must have called him.

Q. The proposition was put up to him?—A. He put the proposition up to us.

Q. He said he didn't know anything about the music business?—A. Somebody brought him there. I didn't.

Q. All right, and he was asked, in effect, to organize a union for you?—A. I never asked him.

Q. At this meeting?—A. No, sir.

Q. Well, what did he say, "I am going to organize a union and put you fellows in it"?—A. He went out in a huff, the only thing I remember about the set-up.

Q. He went out in a huff. What about?—A. Because we turned down his proposition.

Q. What was his proposition?—A. He said he had some of them and was going to take the rest of them in, and form an organization, and would we sign a closed shop agreement with him, and we said, definitely, no.

Q. All right, but finally this local was organized, about the time the association was organized, wasn't it?—A. Yes, sir.

Q. And miraculously, James became the head of the local?—A. That's right.

Q. Entered into a contract with your association on behalf of the union?—A. Yes, sir.

Q. I don't think we will take the time now to discuss the terms of the deal. We know all about that. So let's confine ourselves to whatever financial transactions you had with Mr. James since the organization of your association. Now, by that I mean what money have you paid him personally, or what money has the association paid him, to your knowledge?—A. To my knowledge, the association paid him no money.

Q. No money?—A. No, sir.

Q. At any time?—A. At any time.

Q. Did you pay him any?—A. No, sir.

Q. Never?—A. Never.

Q. Not a dime?—A. Not a dime.

Q. Not \$2,000?—A. Not \$2,000.

Q. About a month ago?—A. I never paid him \$2,000 a month ago.

Q. You got paid by the association recently, didn't you, the sum of \$2,000?—

A. I took the sum of \$2,000; yes, sir.

Q. What for?—A. For my own personal expenses.

Q. What were they?—A. Well, I have been head of the association for, roughly, two years. I have never taken a nickel out of the association. I spent my personal money, and I figured I was entitled to have my money back.

Mr. TRAVIS. You are not going on with this, are you?

Mr. MOLL. Not very much longer.

By Mr. MOLL:

Q. Well, we will give you another shot at it. Have you got that \$500 check there?

Mr. WATSON. Yes.

By Mr. MOLL:

Q. What is that check for?—A. \$500.

Q. Look at the endorsement on the other side.—A. I see the endorsement. The only thing I can think of is he cashed it for me.

Q. Fine, a money man. Why would he cash it for you?—A. I don't remember now.

Q. You had better start thinking here, Brother.—A. I can't remember.

The COURT. Mr. Brilliant, you are not going home tonight. Judge Moll told you we have got the story.

The WITNESS. Yes, sir.

The COURT. And you are going to hop through it in a hurry, or you're going to be in protective custody. Let's have the truth, because we have everything that happened. We know exactly what kind of curved ball you pitch.

Mr. TRAVIS. We just want corroboration. You are not going to tell us anything new.

The COURT. You might just as well sit back and relax and tell the story, because an evasive answer or false answer is going to send you to the county jail.

The WITNESS. I don't remember how he got the check.

By Mr. MOLL:

Q. What's the check for?—A. I wish I could think or remember.

Mr. WATSON. It has General Ledger Distribution in Account 63, Promotional Expense, will that help you? Here, I am not kidding you. Here are your books. Here's the check, number 100, the 28th day of August 1945. 500 bucks, General Ledger Distribution, Account 63, Promotional Expense. Who got promoted for five?

Mr. MOLL. Five hundred?

The WITNESS. I took it. I took it. I can see it's my name.

Mr. TRAVIS. You just testified when you took the \$2,000 it was the first time you took any money out. Tell us about the \$500.

The WITNESS. I don't remember this \$500, and it's the second time.

By Mr. MOLL:

Q. And that's a smaller item. Now, did you want to remember about that check?—A. I wish I could. I just don't remember.

Q. How long will it take you?—A. The only thing I can think of is when we went to Lausang and Muskegon, I took that money for that purpose.

Mr. WATSON. Who is the doll there, the third signature on the back?

The WITNESS. I don't know who it is.

Mr. WATSON. Hunt?

The WITNESS. I don't know her.

Mr. MOLL. Would it be Miss Hunt?

THE WITNESS. I don't know, sir. I really don't know. I never saw the signature. I don't know the person.

MR. MOLL. Shirley Hunt.

MR. TRAVIS. It's not listed in your books under travel, so let's not talk about Lansing.

THE WITNESS. Well, we never listed anything in our books, never made any expense account. I never took an expense account. Whenever I thought I spent so much money, I asked the board for it, and I received it.

THE COURT. You did that from time to time?

THE WITNESS. This is the second time. I don't remember this one.

THE COURT. When you spent money you got reimbursed. How often did you get reimbursed?

THE WITNESS. This is the second time in two years.

MR. TRAVIS. How did it come out in even numbers?

THE WITNESS. I just took out a number. It isn't a matter of \$2, \$4. I made trips, trips, and trips.

THE COURT. How did you take \$2,000?

THE WITNESS. I spent an average of twenty-five to thirty, forty dollars a week. I am entitled to take \$10 according to our own bylaws. I have never even taken that.

By MR. MOLL:

Q. Pardon me. Do those expenses show on your income tax return?—A. My expenses?

Q. As income-tax deductions?—A. No, sir.

Q. Why not?—A. That's not out of my business, sir.

Q. Certainly, it is out of your business. You spent money in furtherance of your own business.—A. When I spend it out of the association, it's for the association. When I spend it out of the business, it's for the business.

Q. Did your personal tax return reflect that \$2,000 check you got?—A. No, sir.

Q. Does it reflect this \$500 check?—I don't think so.

Q. Do you have any corresponding deductions for expenses?—A. No. The money I spent, I spent out of my pocket.

MR. TRAVIS. Do you know how that \$2,000 was carried on your books?

THE WITNESS. Whose books?

MR. TRAVIS. The books of the company.

THE WITNESS. On the association?

By MR. MOLL:

Q. No, on your own books, after you got the check.—A. I spent it out of my pocket. I was entitled to put it back in my pocket.

Q. Did you put it in your books?—A. Yes.

Q. On the company?—A. I don't remember if I deposited it, in the account of the company or my personal account.

Q. Did you deposit a \$2,000 check?—A. Yes, sir.

Q. What date?—A. I don't know what date, but I deposited a \$2,000 check.

Q. What bank?—A. Industrial National Bank.

THE COURT. Your personal account?

THE WITNESS. I don't say my personal account—either the business or my personal account.

THE COURT. Whose money was it?

THE WITNESS. My money.

THE COURT. What would you put it in the business for?

THE WITNESS. If it was a loan, or anything, I would put it in the business.

THE COURT. Did you loan it?

THE WITNESS. I don't remember if I put it in my personal account or business account. If I put it in my business account, it will show a credit there.

THE COURT. Did you draw a \$2,000 check after you deposited it to James?

THE WITNESS. No, sir.

THE COURT. Did you draw \$2,000 in cash and pay it to James?

THE WITNESS. No, sir.

MR. WATSON. Look, Mr. Brilliant, let's get down to cases. Those two items we discussed were only items 1 and 2. There were not only two times you were reimbursed, because these books are full of reimbursements to you. Now, for instance, just running through it, here's Joe Brilliant, \$157.18, General Ledger Distribution Account 72, Travel and Entertainment. That you received the 22nd of May 1945. We are just going to use, what you call the brassier treatment,

just going to hit the high spots. Now, over here, we have got Joseph Brilliant on the 18th day of September 1945, thirty bucks, for that good old account 72.

Mr. TRAVIS. You didn't wait for \$2,000. You took thirty when you had it coming.

The WITNESS. I probably spent it right in town.

Mr. WATSON. That's right, Mr. Brilliant. That's why your story, the \$500 and \$2,000 isn't just an accumulation of expenses, and the first time you got it.

The WITNESS. That's in 1945. What have I taken out for expenses since then?

Mr. WATSON. 1946, well, let's see. Maybe you haven't taken anything.

The WITNESS. I didn't even remember taking it.

Mr. TRAVIS. Of course, you presented the association with vouchers?

The WITNESS. I did not.

Mr. MOLL. It was trust—in Joe we trust.

Mr. TRAVIS. There's nothing brilliant about this testimony.

Mr. WATSON. All right. Do you want to know, Mr. Brilliant, what we know that \$2,000 payment was, so we are not kidding anybody, get down to cases?

The WITNESS. Go ahead; yes.

Mr. MOLL. Maybe we had better let Joe tell us what he thinks.

Mr. WATSON. Do you want to tell us anything different than you have?

The WITNESS. I don't know anything different.

Mr. WATSON. Well, do you know of any item of expense incurred by you, of your own pocket, for which this check for \$2,000 was given you in reimbursement, the expense being to take care of the situation where a CIO union was talked about or was about to spring up, and in order to squelch it, your good friend and compatriot, Mr. James, paid off the guy that was going to bring this threat to you, or was threatening you, and you reimbursed him, and then you got \$2,000 from the association.

The WITNESS. If Mr. James paid \$2,000, he paid \$2,000 out of his own pocket.

Mr. WATSON. And you didn't reimburse him?

The WITNESS. I didn't reimburse him.

Mr. WATSON. And this \$200 you deposited in the Industrial National Bank wasn't to repay you for sums that you had advanced to handle that situation?

The WITNESS. No, sir.

By Mr. MOLL:

Q. Did you represent to the association that's the purpose of it?—A. No, sir.

Q. That is your testimony?—A. Yes, sir.

Q. You understand my question?—A. Yes, sir.

Q. You made no representation to the association for the purpose of getting that association check that you had advanced that to James?—A. No, sir; I didn't say I was going to give James anything.

Q. But you had given it to him?—A. No, sir; I did not.

Q. That's the way you want your testimony to stand?—A. Yes, sir.

Mr. WATSON. Did you give it to anybody else?

The WITNESS. No, sir.

Mr. WATSON. If other association members testify that's what you represented to the association, that is not true?

The WITNESS. Not to my knowledge.

Mr. WATSON. Well, is it true?

The WITNESS. I didn't tell them Jimmy was going to get that money.

Mr. WATSON. You had given it to him and wanted your part back?

The COURT. Just a moment. If any other members of the association say that that check was issued to you, at your request, because you wanted to be reimbursed for \$2,000 you paid James, are they telling the truth?

The WITNESS. They are not telling the truth.

The COURT. Or are you telling the truth?

The WITNESS. I didn't tell them I was going to give Jimmy James—

Mr. MOLL. That you had.

The COURT. If they so testified, and the testimony is inconsistent with yours, is it either true or false?

The WITNESS. I didn't tell them anything of the kind.

Mr. WATSON. What is the ledger distribution of membership equity to which you draw this \$2,000? You are the only guy ever mentioned in this ledger account.

The WITNESS. That's expense.

Mr. WATSON. Membership equity, that means expenses?

The WITNESS. I don't know what it means.

Mr. WATSON. There's another for travel and entertainment, miscellaneous expense, everything else, but only one entry under Membership Equity, and that's your \$2,000 check, old boy.

Mr. MOLL. We have a lot of time. Let's have Joe itemize his expense, that \$2,000. Give him a piece of paper and a pencil.

Mr. TRAVIS. Do you have some records where you kept track of it?

The WITNESS. No, sir.

The COURT. Did you obtain that money from the association under false pretenses?

The WITNESS. I maintain I spent that.

The COURT. Did you obtain that money from the association under false pretenses?

The WITNESS. I did not. I figured I spent that.

The COURT. Did you commit larceny by trick, getting it away from them?

The WITNESS. I did not.

Mr. MOLL. That's what the boys say. That's Warrant Number One. Let's get away from this painful subject.

Mr. WATSON. Before we leave it, did you present a statement to the board of trustees and ask for approval of the reimbursement of your accumulation of \$2,000 expenses?

The WITNESS. No, sir; it came about—I asked for that.

Mr. WATSON. Who did you ask?

The WITNESS. Well, there was Baynes there, Vic was there, and who was the other member?

Mr. WATSON. Tony Sirocuse?

The WITNESS. No, sir; he wasn't there. I think it was George Skinas.

Mr. WATSON. George who?

The WITNESS. Skinas, and I asked them, and they said, take it any time you want to.

Mr. MOLL. Skinas did?

The WITNESS. They all did.

Mr. WATSON. There is no record of any approval by the board of trustees?

The WITNESS. No; we didn't have any meetings for the next couple of weeks, or I wasn't at them anyway.

Mr. WATSON. You had a meeting August 19th, just seven days before this check was drawn, August 26th. I misspoke myself when I said August 31st. It's dated August 26th. You had a meeting August 26th, and there was no mention of reimbursement.

The WITNESS. I didn't take it up then.

Mr. WATSON. I guess you didn't. Well, let's get on to some other items.

Mr. MOLL. Let's talk about a more pleasant subject. Let's talk about last Christmas.

By Mr. MOLL:

Q. Did you make Mr. James any sort of a Christmas gift?—A. Yes; we did.

Q. How much?—A. The exact figures, I don't know.

Q. Well approximately?—A. I think about \$1,400.

Q. How was that raised?—A. All the boys chipped in.

Q. Was that an association project or individually?—A. Individually.

Q. How did you chip in?—A. I chipped in—I don't know whether it was 25 or 50 bucks.

Mr. TRAVIS. Who was the collector?

The WITNESS. Everybody collected.

The COURT. Who turned the fund over?

The WITNESS. Pardon me?

The COURT. Who turned the fund over?

The WITNESS. I did.

The COURT. To James?

The WITNESS. Yes, sir.

The COURT. In what form?

The WITNESS. As a gift.

The COURT. In the form of cash or check?

The WITNESS. In the form of cash.

The COURT. Why cash?

The WITNESS. That's what we collected.

The COURT. Why didn't you reduce it to a check?

The WITNESS. Well, everybody chipped in, ten, five, fifteen.

The COURT. I know, but that's a lot of money to be handling around Christmas time in cash. Where did you give it to him?

The WITNESS. I think in his office or my office. I am not sure which.

The COURT. Did he buy the automobile with that?

The WITNESS. That's what he was supposed to buy with it. I guess he did. He's got it.

The COURT. Well, he admits it, doesn't he? He told you he bought an automobile with your money?

The WITNESS. He said he was going to buy an automobile with the money.

Mr. WATSON. Well, was it with that money, or was it more recently that he acquired the 1946 Buick?

The WITNESS. He just got that.

Mr. WATSON. Yes. That was another collection, wasn't it?

The WITNESS. No, that's the only collection ever made.

The COURT. What kind of an automobile did he buy?

The WITNESS. I thought he bought a Pontiac.

Mr. TRAVIS. He had a Pontiac before. He's got a '46 Buick now.

The WITNESS. That's what he's got now.

The COURT. Who gave him the money for that one?

The WITNESS. I wouldn't know.

Mr. TRAVIS. It didn't drop off the Christmas tree, did it?

The WITNESS. Not this Christmas.

Mr. WATSON. No, this is probably going to a lean Christmas.

Mr. MOLL. Yes.

Mr. WATSON. Let's talk about something else.

By Mr. MOLL:

Q. Let's talk about home life. Have you ever been out to his new home?—A. No, sir.

Q. Has he ever been to your home?—A. Once, when I had a cold or was sick. He has been to my house once.

Q. You know he just built a new house?—A. No, sir. I heard he bought one.

Q. From who?—A. Out near Northville.

Q. Who did you hear it from?—A. He made the remark himself.

Q. And you loaned him some money?—A. Pardon?

Q. You loaned him some money?—A. I did.

Q. How much?—A. I loaned him a couple of times.

Q. Tell us about both times.—A. A thousand or two.

Q. Well, now, tell us the first time you loaned him money?

The COURT. Do you know, Mr. Brilliant, it takes a brilliant man to stand up against the world of facts.

The WITNESS. Well, I am trying to think.

The COURT. It just can't be done. Now, let me give you some free advice. When you are trying to knock down a world of facts, I am telling you, after forty years at the game, it can't be done. We are going to wring the truth right out of you.

The WITNESS. All right, sir.

The COURT. Step on it.

The WITNESS. I am trying to think how much it is.

The COURT. A thousand or two—you fellows are making so much money you can't keep track of it. If you were practicing law, you would know.

The WITNESS. To be honest, I can't be sure how much it was.

Mr. WATSON. Did you get a note or notes?

The WITNESS. I loaned him and give him a check of the Brilliant Music Company.

Mr. WATSON. Which loan, the first or second?

The WITNESS. First and second.

Mr. WATSON. You gave him a check both times?

The WITNESS. I think so.

Mr. WATSON. When was the first one?

The WITNESS. It will be quite some time ago.

Mr. WATSON. Well, you have only known him since January 1945. That is, he's only been active in this new union since then. Was it before you formed the union?

The WITNESS. No, sir.

Mr. WATSON. After?

The WITNESS. Yes, sir.

Mr. WATSON. How long after?

The WITNESS. I would say about four months, five months, something like that.

Mr. WATSON. Late spring of 1945. Is that the one you are not sure whether it was one thousand dollars or two thousand dollars?

The WITNESS. I really don't know which was which.

Mr. WATSON. One was \$1,000 and the other was \$2,000?

The WITNESS. I made him a couple of loans.

Mr. WATSON. Did he ever pay you back?

The WITNESS. Yes, sir.

Mr. WATSON. Both loans?

The WITNESS. Yes, sir.

Mr. WATSON. When?

The WITNESS. Oh, that's been months and months and months ago.

Mr. WATSON. Well, the second time was when he bought the house. That's not a helluva long time ago.

The WITNESS. Which house?

Mr. WATSON. The house in Northville.

The WITNESS. I don't know what he did with the money. I loaned him the money.

Mr. WATSON. He came to see you when he was going to buy the home in Northville?

The WITNESS. Was it the Northville house or out there——

Mr. WATSON. The new house, the \$25,000 little grey home in the west. Didn't he ask you for some financial assistance when he was going to buy the house?

The WITNESS. I don't know if I loaned it to him then.

Mr. WATSON. He did ask you for money when he bought the house?

The WITNESS. I had a record when I loaned it to him and when he paid it back.

The COURT. What kind of a record?

The WITNESS. In the books. I didn't give it to him out of my personal money——out of company money.

The COURT. Out of company money?

The WITNESS. Yes, sir.

The COURT. Was his name set up in the books, in your ledger?

The WITNESS. I believe it was; yes.

The COURT. Have you got a bookkeeper?

The WITNESS. Yes, sir.

The COURT. And you ordered the bookkeeper to draw a check?

The WITNESS. I drew the check myself.

The COURT. You drew the check yourself?

The WITNESS. Yes, sir.

The COURT. And you gave it to him?

The WITNESS. Yes, sir.

The COURT. Charged his account?

The WITNESS. Yes, sir.

The COURT. And when the money came in you credited his account?

The WITNESS. Yes, sir.

The COURT. The books reflect that?

The WITNESS. Yes, sir.

The COURT. Does the bankbook reflect it?

The WITNESS. Yes, sir.

The COURT. Your personal account?

The WITNESS. Company account.

The COURT. Will you bring in the books tomorrow——today?

The WITNESS. Yes, sir.

The COURT. All right, bring it in. Make a note of it.

The WITNESS. I won't forget it.

Mr. WATSON. Well, tell us about the time you put the bite on the association for a little contribution to Mayor Jeffries' campaign. Do you know about that one?

The WITNESS. Yes, sir.

Mr. WATSON. How big a bite?

The WITNESS. Five hundred bucks, I think it was.

Mr. TRAVIS. A thousand.

The WITNESS. Was it a thousand? I don't remember.

Mr. WATSON. One thousand bucks. Did he talk to you about it?

The COURT. You have got so much money you can't keep track of it.

The WITNESS. You just do a thing——

Mr. WATSON. I have some trouble. I have five hundred dollar bills in this vest pocket, and a thousand dollars in this pocket, and somebody like James comes along, and I haven't got it.

Mr. TRAVIS. He isn't any relation to Jesse James, is he?

The WITNESS. He must be a brother.

Mr. MOLL. He's got a 1946 Buick.

Mr. TRAVIS. Jesse had a horse, that's right.

Mr. MOLL. Jesse had a horse.

Mr. WATSON. This was another touch you couldn't think of, that Mr. James arranged from the association.

The WITNESS. I thought it was \$500. You said one thousand dollars.

Mr. WATSON. I will show you. You started with one financial transaction, either personally or through the association, with Mr. James. You have now recalled—you have seen a check for \$500 bearing his endorsement which you signed. We have heard about the donation of fourteen-hundred-odd bucks, a couple of personal loans, and we have asked you about the \$2,000. Is there anything else that comes to your mind right now?

The WITNESS. No.

Mr. WATSON. Would you testify under oath there has been no other financial transactions between you and Mr. James individually?

The WITNESS. In business?

Mr. WATSON. Yes.

The WITNESS. No, sir. There might have been three instead of two. I have a record of that.

Mr. WATSON. Three loans instead of two?

The WITNESS. I don't remember if it was two or three, and he's always paid them back.

Mr. GARBER. Do you know anyone else in the association he borrowed from?

The WITNESS. Not to my knowledge.

The COURT. Now, if you loaned him, how much would you say it was in the aggregate, in three loans?

The WITNESS. Well, in three loans I would say either four or five thousand.

The COURT. And he paid you back?

The WITNESS. Yes, sir, to the best of my knowledge, he did.

The COURT. Where did he get the money?

The WITNESS. I never questioned it.

The COURT. How much money does he get from the union?

The WITNESS. He's never told me that.

The COURT. Well, I would make a guess it's about \$85 a week. Where would he get four or five thousand to pay you back?

The WITNESS. \$85 a week?

Mr. WATSON. Well, would you be surprised to know the head guy of the show out there, Mr. Hoffa, only gets \$100 a week.

The WITNESS. That would be a surprise to me.

Mr. WATSON. That's all the salary he gets.

Mr. TRAVIS. A few dollars extra for expenses.

Mr. WATSON. So you wouldn't think Mr. James would be on a salary of any more than the boss man would you?

The WITNESS. I don't know the functions of the union or how they work.

By Mr. MOLL:

Q. Do you know Hoffa?—A. No, sir.

Q. Brennan?—A. No, sir.

Q. Bennett?—A. No, sir.

Q. R. J.?—A. No, sir.

Q. You never met the gentlemen?—A. Never met any of them.

Q. Didn't you meet them at that famous banquet?—A. No, sir.

Q. Never?—A. If they were there, I didn't have the pleasure of meeting them.

Q. Those there were your guests?—A. There were 900-some people there.

Mr. TRAVIS. There's only one Jimmy Hoffa—

The WITNESS. I did meet Van Antwerp there.

Mr. WATSON. You do business under the name and style of Brilliant Music Company?

The WITNESS. Yes, sir.

Mr. WATSON. Do you own that business?

The WITNESS. Yes, sir.

Mr. WATSON. All by yourself?

The WITNESS. Yes, sir.



Mr. WATSON. You have some associates?

The WITNESS. My brother Jack and William K. Palmer.

Mr. WATSON. Now, have you had any other businesses in the last four or five years—the last two years, let's say?

The WITNESS. I have any other business? No, sir.

Mr. WATSON. None at all?

The WITNESS. No, sir.

Mr. WATSON. No distributing company?

The WITNESS. No.

Mr. WATSON. No operating companies?

The WITNESS. No.

Mr. WATSON. Have you ever sold any interest in any companies?

The WITNESS. No; I did not.

Mr. WATSON. Are you interested in any company or companies other than Brilliant Music Company?

The WITNESS. No, sir.

The COURT. How old did you say you were?

The WITNESS. 41, sir.

The COURT. Have you ever been arrested and convicted?

The WITNESS. No, sir.

The COURT. Ever arrested?

The WITNESS. Yes, sir.

The COURT. For what?

The WITNESS. Wait a minute. Just a minute. I was arrested and convicted and did 30 days when I was 22 or 23 years of age.

The COURT. What was the charge?

The WITNESS. I had a case of liquor in the car—no, six bottles.

The COURT. In Michigan?

The WITNESS. Yes, sir.

The COURT. Were you ever arrested and convicted of any other offense?

The WITNESS. No, sir.

Mr. WATSON. Were you ever arrested for any other offense?

The WITNESS. No, sir.

Mr. WATSON. You're a married man?

The WITNESS. Yes, sir.

Mr. WATSON. A family?

The WITNESS. Yes, sir.

Mr. WATSON. Living with your wife at present?

The WITNESS. Yes, sir.

By Mr. MOLL:

Q. Your kids are good, respectable kids?—A. You bet.

Q. You're very fond of them?—A. Yes, sir. Not kids, just kid.

Q. How old?—A. Two years and four months.

Q. Pretty young?—A. Yes, sir.

Q. Boy or girl?—A. Boy.

Q. You want him to grow up and be proud of the old man?—A. I hope so.

The COURT. Where were you born?

The WITNESS. Russia.

The COURT. What part?

The WITNESS. Pardon?

The COURT. What part?

The WITNESS. I don't know, sir.

The COURT. When did you come over?

The WITNESS. Oh, about 35 years ago, 36 years ago.

The COURT. What year were you born, you say?

The WITNESS. 1905.

The COURT. You were born the same year that Harry K. Thaw murdered Stanford White in Madison Square Garden.

Mr. MOLL. 1905 was when they marched on Winter Palace.

Mr. GARBER. Is that the year John Anhut went to jail?

Mr. MOLL. It was two years before the San Francisco earthquake.

The WITNESS. I wish I could remember that far back.

Mr. TRAVIS. We just want you to remember two weeks back. Tell us more about that \$2,000 check.

The COURT. What's that story about that \$2,000 check?

The WITNESS. I took that \$2,000.

The COURT. Then what did you do with it?

The WITNESS. I kept it.

Mr. MOLL. Give Joe a piece of paper and pencil. Send him out to the second room and have him itemize the expenses.

The WITNESS. It will be impossible.

The COURT. We will give you plenty of time.

Mr. MOLL. Have you got a pencil and a piece of paper?

(Witness excused.)

3:00 a. m.

JOHN BAYNES, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. WATSON:

Q. Now, then, you are a trustee of the local board of the Michigan Automatic Phonograph Owners Association, Incorporated?—A. That's right.

Q. A nonprofit organization?—A. That's correct, sir.

Q. How long have you been a trustee?—A. Well, I was elected—I was not elected. I was—what do you call it?

The COURT. Appointed as a temporary board member.

By Mr. WATSON:

Q. Right from the start?—A. From the start. We have two members for three months. They are appointed from the body. Sometimes they accept, sometimes they turn it down—just how they feel. They all have an opportunity to sit on that board. I was appointed for three months, and when my three months was up, one of the members sold his business, and they appointed me as a permanent member.

Q. Are you a distributor?—A. No.

Q. Just an operator?—A. Yes.

Q. How many machines do you have?—A. 74.

Q. How long have you been in this business?—A. The amusement business or music?

Q. Music.—A. I have been in the city about two and a half years, and I was up north, in 1940, about a year.

Q. Whereabouts up north?—A. East Tawas.

Q. Are you a married man?—A. Yes.

Q. Live with your family?—A. Yes.

Q. Children?—A. Two.

Q. How old are you?—A. 46 now.

Q. Have you ever been arrested?—A. No.

Q. All right. Are you familiar with the formative proceedings that went on before this organization was put together?—A. You mean, the present organization?

Q. Yes.—A. I—we had two or three organizations before this.

Q. I am talking about this one.—A. Well, there wasn't any organization before this one was formed, that I was interested in at all.

Q. You were interested when they were forming it?—A. That's right.

Q. Did you go down to Cleveland when they talked it over?—A. No.

Q. To study the Cleveland operation?—A. No.

Q. You knew they were going?—A. We knew they were going.

Q. And this group that was interested in forming this new association was part of the old United organization?—A. I don't know whether they all were. I believe some of them—I don't know just exactly how many went down.

Q. Were you?—A. I was not a member.

Q. In the old United?—A. No.

Q. But you were interested in the new organization?—A. Yes.

Q. And it had some attractive features?—A. Do you mind if I tell you in my own way?

The COURT. Before you start, where were you born?

The WITNESS. England.

The COURT. What part?

The WITNESS. The northeast coast.

The COURT. How far away from the Cheviot Hills is that?

The WITNESS. Gosh, you got me. I never got around much, till I went in the army in the last war.

The COURT. Didn't you get 15 or 20 miles?

The WITNESS. The only part of North England was the small towns, towns I went to, Newcastle, Sunderland.

The COURT. All right. When were you born?

The WITNESS. December 31st, 1899.

The COURT. December 31st, 1899?

The WITNESS. New Year's Eve.

The COURT. New Year's Eve, right at the door of the new century.

The WITNESS. Five minutes later I would have been born in 1900.

The COURT. You just beat the gun.

The WITNESS. That's right.

The COURT. How long have you been in this country?

The WITNESS. I came over to Canada in 1921 and came over here in 1928.

The COURT. All right, go ahead.

The WITNESS. Well, they sent us a letter——

Mr. TRAVIS. Who is that?

The WITNESS. That I don't know. I imagine it was the committee that went down to Cleveland. We just received a letter they were going to have a meeting, and invited us to attend the meeting and explained the set-up, and they had the president of the Cleveland organization down there. He talked a long time and was very convincing. We needed something like this in this business. We weren't in the phonograph business, we were in the moving business.

The COURT. What induced you to get into this racket?

The WITNESS. Just that very reason—you mean, in this business?

The COURT. Yes.

The WITNESS. That was more an accident than anything else. I was a tool-maker, and I had ulcers, and they ruptured. I went in the hospital——

The COURT. That's all right.

The WITNESS. When I came out I owed a lot of money. I started working at night, repair work on pinballs, anything I can get. I gradually worked into it. Here I am.

Mr. WATSON. Here you are. Let's testify.

By Mr. WATSON:

Q. Did you contribute to the original fund that was gotten together to pay Mr. Presser, of Cleveland, the sum of \$5,000?—A. No.

Q. For his advice and assistance in forming this integration of the union and your association?—A. No.

Q. Your answer prematurely was no.—A. No, because it apparently was all taken care of before the association was really formed.

Q. No, it was paid shortly after you were formed, but the arrangements were made before the formation of the association, but you didn't contribute to this?—A. Not unless it was paid out of the association funds.

Q. You knew about it?—A. I knew there was some kind of a payment to be made, that's all I knew.

Q. You knew the sum of \$5,000 was mentioned?—A. I didn't know the amount.

Q. To Mr. Presser. Now, how long have you known Mr. James?—A. Mr. James?

Q. Yes.—A. Just since the association was formed.

Q. You didn't know him before that?—A. No.

Q. Have you ever paid Mr. James any money?—A. Outside of union dues, I have not.

Q. Do you know whether the association has paid him any money outside of dues?—A. To the best of my knowledge, no.

Q. You are a trustee?—A. Yes.

Q. We get our law of trusts and trustees from England, your home sod. You know what it means to be a trustee?—A. That's right.

The COURT. Not a trusty?

The WITNESS. There is a difference.

Mr. MOLL. That only comes from experience.

By Mr. WATSON:

Q. In plain language, that means administering property, money of others, for the benefit of those others, correct?—A. Correct.

Q. And as trustee of this association, you are impressed with certain duties that take on a gravity in law to administer their affairs wisely and conserve their assets, and you should know—there is no charge for this service, by the way.

Mr. MOLL. What is this, the Magna Charta?

The COURT. Will the professor get down to the facts of the case.

By Mr. WATSON :

Q. If any payments of money, of association funds, had been made to Mr. James, you, perforce, should know about them, as trustee?—A. Well, before any payment could be made, it would have to come before the board of trustees.

Q. Well, let's get down to cases. Here's a check for \$500, check number 100, signed by the president, Mr. Brilliant, countersigned by your Secretary-Treasurer, and apparently bearing the endorsement of Mr. James. What was that for, Mr. Trustee?—A. August 28th?

Q. Yes.—A. You got me.

Q. We haven't got you yet, but you had better start remembering or we may have you.—A. As far as the finances of that organization were concerned, they were left entirely in the hands of Mr. DeSchryver. I know he had some money coming, but as far as I know, there was no money to be paid to Mr. James.

Q. Mr. Brilliant?—A. Mr. Brilliant, and I think five or six others, or seven, that started this thing, put a lot of time and money in it. Every member of that board of trustees is supposed to be paid \$10 for every meeting he attends. Mr. Brilliant put in an awful lot of time, and, I understand, a lot of financial assistance when it started. There isn't one of those men who have got that money back. We never thought of collecting it, because, as trustees, we sacrificed every Monday—

Mr. GARBER. If you didn't go, you are fined \$5?

The WITNESS. Not the board of trustees meeting. That's the general meeting. Not the board of trustees meeting.

By Mr. WATSON :

Q. It is your best guess, this is the return of some hard-earned, well-invested time and money by President Brilliant, repaid him in August 1945?—A. As far as I know. I don't know the amount of the check.

Q. And as trustee, that would be your best guess, would it? All right, Mr. Trustee. I will show you check number 384 of the association, issued about two weeks ago. This is August 26, 1946, Joseph Brilliant conveniently signed by himself as president for \$2,000. What was that for?—A. That was the only check I knew about.

Q. What was that check?—A. This was supposed to reimburse Mr. Brilliant for time and the money he put in this association. That was what it was for.

Q. That was probably true, but I want you to tell me your interpretation, because we know the actual answer to it. We want your interpretation, how he got \$2,000 and for what purpose?—A. I don't know anything about that check. I don't remember it coming up. It might not have been at the meeting. This one I know about. It was brought up. Everybody agreed Mr. Brilliant has quite a nice little business; he sacrificed an awful lot of time. He sacrificed a lot of time to this association. I think a little while ago, one member that sold his business—

Mr. MOLL. Let's call a halt to this kind of testimony.

Mr. WATSON. Let's see how far he wants to go.

Mr. MOLL. It's three o'clock in the morning.

By Mr. WATSON :

Q. Is that your answer?—A. When this was brought up at the meeting, it was brought up that Mr. Brilliant be paid \$2,000.

Q. You made the motion, didn't you, or who made the motion?—A. I don't know whether I made the motion or not, but I held out right along every man who put money in the association at the start should get it back.

Q. If you didn't make the motion, you seconded it or voted for it?—A. I voted for it.

Q. There is no such motion shown in the minutes of your meeting in August.—A. It should have been in, because it was brought up.

Q. You all voted unanimously for it. Suppose you look at the minutes of the last two meetings you held, and tell me why you don't find it in there, Mr. Trustee?

Mr. TRAVIS. Or was that \$2,000 too small an amount to be noted in the minutes?

The WITNESS. It was brought up at the meeting, that I know. I took the minutes down two or three times very concisely. Anything I have mentioned—

The COURT. Would you be surprised if we told you that that \$2,000 was requested by Brilliant because he paid the \$2,000 to James, and that \$2,000 is reimbursement for the money he paid off as union pay-off to James?

The WITNESS. To the best of my knowledge, there was nothing paid to the union.

By Mr. WATSON :

Q. Look, my friend, there are a lot of other members of this association, and they are not all goddam liars. I told you we have this story. We haven't time at this hour in the morning to listen to a lot of pipe dreams. Everybody is going to get their chance to do one of two things, tell the truth, confirm the story as it is, truthfully, or if they elect to do it otherwise, sacrifice their freedom by coming in and lying.

The COURT. Do you want to tell us the truth?

The WITNESS. To the best of my knowledge, that is the truth. I was trustee up there, joined that organization with the idea of cleaning up this business. If anything went on up there, it went on without my knowledge.

By Mr. WATSON :

Q. Listen, Jack, stop that. Was there a threat or some danger of the CIO organizing a rival union and creating some disturbance in the orderly manner of operation you had set up between your association and Mr. James' union?—A. I did hear once that there was a chance that the CIO might set it up. That's all I knew about it.

Q. Don't stick your neck out, Buster, because it gets tougher when you do. You heard that. Tell us something else you heard. That in order to squelch that opposition drive or movement, it was best to handle it in a clean, straight-forward manner by buying off the character who was trying to organize, and that to buy it off Mr. Brilliant had advanced the money to Mr. James to handle it out of his own funds, and this \$2,000 was to repay Mr. Brilliant, isn't that right?—A. That's beyond my knowledge. If it was done that way I don't know anything about it.

The COURT. Mr. Attorney General, I suggest you not waste much time with him, because he will stay here in custody. Just hit the highlights, the Christmas donation, the new car, a few of those things like that, and I think he could keep the other two men company till we return tomorrow morning.

By Mr. WATSON :

Q. How much did you contribute to Mr. James' Christmas present last year?—A. Nothing.

Q. Nary a thing?—A. Not a thing.

Q. How much was he given, did you hear?—A. I never heard anything about it, and I never knew he received any Christmas present.

Q. You didn't know he got a couple of thousand at Christmas?—A. I have no idea of that.

Q. How much did you contribute toward the purchase of the new automobile?—A. Nothing at all.

Q. Did the association buy the automobile?—A. To my knowledge, no.

Q. Did the members of the association advance any money for the purchase of any automobile?—A. That I don't know about. I didn't.

Q. Now, you are singularly unenlightened here. Maybe they have been keeping things back from you, Mr. Trustee. Did you know Mr. James recently purchased, shall we say, a modest home for approximately \$25,000?—A. I knew Mr. James had a home. In fact, I have been out there; yes.

Q. And he bought that within, oh, let's say, the last year?—A. I don't know just when it was.

Q. The one out near Northville?—A. That's right.

Q. Did he put the bite on you for a loan when he bought it?—A. Absolutely not.

Q. Did you hear he put the touch on some of the other boys for a little financing?—A. I don't know anything about it.

Q. Do you know any financial transactions between Mr. James and the association?—A. I did not. I have no idea.

Q. Other than the payment of dues?—A. No.

Q. Do you know of your own knowledge or from hearsay of any financial transactions between Mr. James and fellow members of your association?—A. No.

The COURT. Did you ever pay anything off to Mr. James?

The WITNESS. Maybe, Judge, I can give you a better idea of this, if I give you my own financial position. I have nothing. The route is owned by myself, and the Industrial National Bank. I bought this route a long time ago, and I am still paying on it and will be till next July. I am not in position to pay anybody anything. All I am interested in is getting this paid for.

The COURT. What do you owe the bank now?

The WITNESS. The bank payments to the Industrial National Bank are \$349 a week. I borrowed \$34,000 from the bank to buy my partner out on the first of January.

The COURT. Who was your partner?

The WITNESS. Mr. Seeburg of Atlas Music, he was my partner at that time, and Mr. Seeburg had to dissolve the partnership because of the people he was doing business with, Atlas, would not go for anything outside the sale of he had to get out. Since then I bought no equipment and bought that on time. I bought two phonographs for cash. The rest of the machines I bought and paid so much per month. I've got an order in on a new Aieron today. I am through buying machines, because I am not in position to buy any more.

The COURT. How many have you got now?

The WITNESS. 74—pardon me—I have 75. I have four off location and 71 on.

By Mr. WATSON:

Q. I would say, offhand, Mr. Trustee, just as a suggestion, anybody in your position of trust that knows as little about what is going on, ought to resign as trustee before you get caught up in the situation.—A. I would love to long ago.

Q. Because, by God, if people take \$2,000, \$500 out from under your nose and you don't know any more about it than you say, how are you going to protect yourself against a civil suit or prosecution?—A. I am trying to keep away from that financial business. I have hired people to take care of that for me. I have a girl takes care of my books and a CPA that checks every three months.

Q. How long did you go to school?—A. 14 years old. I would sooner do repair work on half a dozen phonographs than keep books. I have a girl that enters all my bills and books up. I give her \$5 a week.

Mr. WATSON. Do you want to sit down out there?

(Witness excused.)

3:25 a. m.

VICTOR DESCHRYVER, having been by the Court previously duly sworn, was examined and testified further as follows:

Mr. WATSON. You are still under oath, and we are continuing the examination at 3:25 A. M., on Friday, the 13th of September, 1946, for the record.

Examination by Mr. WATSON:

Q. I just want to make certain about this check of \$2,000 issued to Mr. Brilliant. Now, that was, according to your sworn testimony, repayment of money to Mr. Brilliant, sums that he had advanced to Mr. James, in order to dissipate the threatened action by the organizer of a proposed CIO rival union, is that correct?—A. Yes, sir.

Q. There is no doubt about that in your mind?—A. No, sir.

Q. That matter was discussed at the trustee's meeting, but not made a matter of record, is that not right?—A. I don't believe it was discussed at the trustee's meeting. It may have been.

Q. You don't recall that it was?—A. I don't recall that it was.

Q. There is no question in your mind about what that is for?—A. No, no doubt in my mind, sir.

Q. Now, just to clear up a couple of other points and extend the record, in addition to these things we have talked about, I didn't ask you about any other personal financial transactions that you had with Mr. James. There was the matter of the loan that you made to him when he bought his house, and there were two other loans, weren't there?—A. Pardon, sir?

Q. There were two other loans you made to him, were there not?—A. That I made to Mr. James personally?

Q. That's right, sir, or advancements of money to aid him personally, because we can't evaluate this at all until we round the whole picture.—A. No, sir; there was only one other one that I discussed with you.

Q. Was that the purchase of an interest in a business or a distributorship?—A. Yes, sir.

Q. And that distributorship was what?—A. Marston Distributing Company.

Q. That was previously owned by whom?—A. The original stockholders were Mr. James, Mr. Brilliant, Mr. Marston, and myself.

Q. That was formed when?—A. Around the first part of the year.

Q. Of this year?—A. Yes, sir, somewhere in the first quarter of the year.

Q. All right. And how many machines did the Marston Distributing Company operate, or do they operate?—A. No, they are not an operating company—a sales agency.

Q. A sales agency?—A. Yes, sir.

Q. For what product?—A. The A. M. I. Phonograph.

Q. The A. M. I.?—A. That's the trade name we operated under, it's Automatic Musical Instruments.

Q. And what is the capitalization of that corporation, distributing company, roughly, to the best of your recollection?—A. Well, to the best of my knowledge, it is about \$25,000.

Q. It is set up with \$25,000 paid in?—A. No, sir.

Q. How much is paid in?—A. Actually in paid-in capital, I don't think there was three, or possibly four thousand.

Q. Were there some subscriptions entered on the books, for stock that haven't been taken up as yet?—A. No, sir.

Q. It is not quite clear in my mind. It is a new sales organization to vend a recording phonograph?—A. That's right, sir.

Q. And is it a new make to this area or territory?—A. No, sir.

Q. Or did you take over an established business?—A. No, sir. It was not an established business before.

Q. A brand new outfit, and the original stockholders were yourself, Mr. Brilliant, Mr. James and Mister—A. Marston.

Mr. GARBER. Max Marston.

The WITNESS. Yes, sir.

By Mr. WATSON:

Q. And how was the stock divided?—A. The stock originally, at that time, was divided 40% to Mr. Marston, 40% to Mr. Brilliant, 20% to Mr. James, and 20% to myself.

Mr. TRAVIS. You have 120?

The WITNESS. No; it was 40, 20, 20, 20.

By Mr. WATSON:

Q. 40 to Marston, and 20 to you, James and Brilliant?—A. That's right.

Q. And then Mr. Brilliant was bought out of the picture, wasn't he? Is he still in it?—A. No; he's out of it.

Q. And who acquired his 20% stock interest?—A. Well, there's another side light to this thing.

Q. All right, give it to us?—A. That is this, that the Aireon Company—Marquette Distributing Company, which I helped to organize, originally was set up in such a way that Mr. James, myself, Mr. Brilliant and—

Q. Mr. Dixon?—A. Well, not Mr. Dixon—the stock there is in the name of Fay Presser and Lillian Nardi.

Q. That's the Aireon?—A. Yes, sir.

Q. Is it Aireon Distributing Company?—A. No, Marquette Distributing Company. They distribute the Aireon Phonograph.

Q. And that corporation, with stock held as you indicated, is a Michigan corporation?—A. Yes, sir.

Q. And what percentage of that stock is in your name?—A. Well, may I give you the complete development of the whole thing? I will give you the story on it, see.

Q. Sure.—A. At that time when Joe Brilliant had 20% of A. M. I. and I had 20% of it, he had a share in the Marquette Distributing Company. I went and traded—it was just a verbal conversation—traded stock, because none of the actual stock certificates had been issued. The actual percentages of stock had been discussed.

Q. Just in passing, the one share of the stock in the other corporation was what percentage of the total stock?—A. In Marston Distribution it was 20% of the total stock.

Q. One share was?—A. No; not one share. I mean the stock.

Q. I will draw a picture. It will help you. Here we have Marquette.—A. Marquette Distributing; yes.

Q. That M-a-r-q-u-e-t-t-e?—A. Right, sir.

Q. Marquette Distributing Company was Victor DeSchryver 20%, James 20%—A. No, sir; the stock distribution—it is not correct.

Q. What is not?—A. They are not correct there. I will see if I can figure out originally what it was. Lillian—let me put down the ones I actually know for certain. Lillian Nardi.

Q. Who is she, by the way?—A. A person I don't know and have never met.

Q. All right.—A. Had 6% of the stock.

Q. Yes.—A. Fay Presser 9% of the stock.

Q. Yes.—A. James 31% of the stock. The balance of the stock was vested in my uncle's name and in my name.

Q. That's 54%—and your uncle's first name?—A. Harry DeSchryver.

Q. Okay. That's 100%.—A. Now, prior to that time—we have to go back now. The stock distribution between James and myself was also divided between Joseph Brilliant—

Q. You mean this?—A. In other words, there was 75% of the stock there that was originally divided or supposed to be have been divided twenty-five, twenty-five—

Q. 85%?—A. It's eighty-five percent of the stock. Well, we will say this, Joe Brilliant was figured at 25%.

Q. Yes.—A. And James at 25%.

Q. You and your uncle thirty-five?—A. And the balance divided between my uncle and myself.

Q. Yes, thirty-five. That's what it was originally.—A. Can we hold this for a minute?

Mr. WATSON. Off the record, you mean?

(Discussion off the record.)

By Mr. WATSON:

Q. Marston Distribution was originally set up with Max Marston owning 40% of the stock, 20% each Victor DeSchryver, Joe Brilliant, and Mr. James. All right, carry forward with the transaction.—A. And at that time I trade Joe, his interest in Marston Distributing for—or, his interest in Marquette Distributing for my interest in the Marston Distributing.

The COURT. Are both these concerns going concerns now?

The WITNESS. They are now.

Mr. WATSON. They have a definite bearing on the rounding out of the picture.

By Mr. WATSON:

Q. You trade your interest in Marston—A. Yes, sir.

Q. For Brilliant's interest in Marquette?—A. That's correct.

Q. All right, sir, but now, how does the financial transaction come in here involving Mr. James and Mr. Brilliant and yourself? Did you loan Mr. James some money to acquire his stock?—A. No, sir.

Q. Do you own any stock in your name which, in truth and in fact, is in trust for Mr. James?—A. Yes, sir. He originally paid for the stock.

Q. In which company?—A. In Marquette Distributing Company.

Q. How much did he pay for his 31%?—A. \$3,100.

Q. All right. Go ahead from there.—A. But the transaction between Brilliant and myself was not a transaction of money. I mean, it was—

Q. Just a trade of interest?—A. At the time these companies were formed, it was just a verbal agreement between the two of us, that's the way we would do it.

Q. How do you wind up, however, with part of James' stock in trust for him?—A. I have that stock now as further security against the loan I gave James of \$5000.

Q. On the house or a different loan?—A. No; on the house, the original loan.

Q. You have his 31% in Marquette, as security?—A. Yes, sir; issued in my name.

Q. Issued in your name, and after he pays out the balance on that loan, it will be returned?—A. That's correct, sir.

Q. Does that complete the history of your financial transactions?—A. No, sir. There's one more step.

Q. Let's have that.—A. Then Joe Brilliant had 40% in Marston Distributing Company at that time.

Q. Yes.—A. And Jimmy came to me one day—

Q. Jim James?—A. Right; and said that Joe Brilliant could be bought out of Marston Distributing Company for \$7,000.

Q. Yes.—A. And I gave to Mr. James a check for \$7,000.

Q. With which Mr. James bought out Mr. Brilliant's 40% interest in Marston?—A. Mr. James acquired the 40% interest. In fact, he acquired the stock certificate, which he gave to me.

Q. So that he now owns 60% in Marston Distributing?—A. No. I now own again 40% in Marston Distributing.



Mr. TRAVIS. James gave it back to him?

The WITNESS. James acted more or less as agent in that particular transaction.

The COURT. But James gave Brilliant \$7,000.

By Mr. WATSON:

Q. Yes. First, Vic loaned James \$7,000 to buy the stock from Brilliant.—A. For me.

Q. For you.—A. With the understanding that after it had been acquired, this stock in Marston Distributing would be reshuffled.

Q. Yes.—A. And that James would have a larger equity in Marston Distributing Company, and Max and myself a little less. It was ultimately supposed to have worked out to the point where I would have approximately 35%, Max about the same and Jimmy the balance, about 30%.

Q. Now, that's a complete history of all your financial transactions with James?—A. With James; yes. One other thing, the stock certificates themselves are all in the possession of Mr. Marston at the present time.

The COURT. Why?

The WITNESS. Because of this: That if that becomes public knowledge, I will show up as a stockholder vending two phonographs that are competitive by their very nature. They are manufactured by two different people, and that would cause me to lose a franchise of my phonograph.

Mr. WATSON. Well, there's nothing unholy or illegal, I presume, about that. All right, now, that's everything?

The WITNESS. That's it.

Mr. GARBER. Let me ask him just one question. Don't you have an entirely different set-up in the type of music under this A. M. I. where you have a further play, three minutes for a penny, six minutes for a nickel? Isn't that what they are distributing now?

The WITNESS. That's one of the accessory items they distribute; yes, sir.

Mr. GARBER. Who makes that?

The WITNESS. I have always called it penny music. It's manufactured in New Jersey.

Mr. GARBER. Isn't that what you are distributing with this Marston Distributing Company?

The WITNESS. That's part of it, but actually the purpose of organizing Marston Distributing Company was to sell the A. M. I. phonograph and the items that they manufacture, one of which is one of these—well, these talk-backs, that's where you put in your money and request from an operator a piece to be played.

Mr. GARBER. Don't they have that operating here now?

The WITNESS. They have some of them operating.

Mr. GARBER. In hotels, you call the operator and the music plays, over the telephone?

The WITNESS. That's right, over telephone lines.

Mr. GARBER. What hotels have that?

The WITNESS. I don't believe any of the hotels have that. I mean, they have a different type of music. It's also handled over telephone lines. It's called this Muzak, but that has no connection with this company at all.

Mr. GARBER. I see. All right. Did James pay for that stock in there, or was that a gratuity?

The WITNESS. No, sir; he paid for the stock in my company.

Mr. GARBER. When did he buy that?

The WITNESS. He subscribed to that stock at the beginning of the corporation.

Mr. GARBER. And when was that?

The WITNESS. The latter part of December and first of January 1946.

Mr. GARBER. How much did he put up there?

The WITNESS. In our company, \$3,100.

Mr. GARBER. And then he's paid back \$3,100?

The WITNESS. No; he paid me \$3,000.

Mr. GARBER. That's \$6,100.

The WITNESS. Yes, sir.

Mr. GARBER. And then he's paid back some other loans and bought this house?

The WITNESS. Yes, sir.

Mr. GARBER. And bought a new car.

Mr. WATSON. Well, let's try and fit the pieces together ourselves. Do you want to take a seat out here? Will that be all?

Mr. GARBER. Yes. I was just thinking out loud on that.

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the city of Detroit, Michigan, on Friday, September 13th, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Samuel L. Travis, Special Assistant Prosecuting Attorney; Mr. Frank G. Schemanske, Chief Assistant Prosecuting Attorney; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: G. L. McGuire, Reporter.

2: 45 p. m.

VICTOR J. DESCHRYVER, having been previously duly sworn, was recalled, examined and testified further as follows:

Mr. MOLL. Mr. DeSchryver has been previously sworn and testified before the Grand Jury.

Examination by Mr. MOLL:

Q. Now, Mr. DeSchryver, there are just a few more questions I would like to ask you for the sake of the record. Now you testified last evening concerning the raising for certain operations of the sum of \$5,000.—A. Yes.

Q. Which you fixed as to the time around January of 1945?—A. That's right.

Q. Or the early part of February 1945?—A. That's right.

Q. That \$5,000 was given to you in the form of checks endorsed by the makers which were also endorsed by you and cashed?—A. Yes, sir.

Q. That money, \$5,000, was by you turned over to Presser at the Statler Hotel?—A. Yes, sir.

Q. Now, do you recollect whether before you handled the actual cash to Presser, you made an attempt to deliver to him or others the checks that you had received from the operators?—A. No, sir, I don't.

Q. Well, now, as I understand it, you have no recollection of having tendered checks and having the checks refused?—A. That's right, sir.

Q. Might that have happened?—A. Yes, it might have.

Q. But in any event you remember you did deliver the five thousand in cash to Presser?—A. Yes.

Q. Now, what was the purpose of that payment?—A. The purpose of the payment was to pay Mr. Presser for his work in setting up the union, and to the best of my knowledge, part of that money was to be used to pay certain people in the union here in Detroit.

The Court. Speak louder.

By Mr. MOLL:

Q. Now, did Presser state to you how the money was to be used?—A. Yes, sir, I believe he did.

Q. What did he say?—A. The exact conversation, I can't remember, sir.

Q. Well, give it to me substantially. When and where did it take place, and what was said?—A. Substantially the conversation was that in order for the music union to continue and be maintained in this area that certain people had to receive some money and that if they didn't that somebody else would move in. In other words, that the security of the set-up was open to the highest bidder.

Q. Did Presser say who those certain people were? Did he name names?—A. I can't exactly say that he did, sir.

Q. Was Hoffa named or Brennan's name mentioned in the conversation?—A. Yes, I believe it was.

Q. What did he say about either or both of them?—A. Well—that—as near as I can remember, sir, that their union was a union that controlled the things that rolled on wheels, all the service companies, companies that serviced locations, restaurants, and beer gardens, and consequently they would be of the most value to us.

Q. Did Presser state that any portion of this \$5,000 would be used to take care of either Hoffa or Brennan or both?—A. Actually, I can't say that he did say, sir.

Q. Were you given to understand this money was to be split up by Presser with someone else for the purpose of greasing his way in, as he stated?—A. Yes, I was given to understand that he would have to use a portion of that money in the city of Detroit.

Q. And in that same conversation he named Hoffa and Brennan as heading the Teamsters, did he?—A. Yes, he knew they headed the Teamsters Union.

Q. And he referred to them by name?—A. I can't actually say as to that, sir. Q. Well, did he intimate—we will put it that way—it would be necessary to take care of Hoffa and Brennan?—A. Yes.

Q. As heading the Teamsters Union here?—A. Yes, sir, I believe so.

Q. Now, later on, did you talk to James concerning Hoffa and Brennan, and by James I mean the business agent of the music local.—A. Yes, sir, I did.

Q. When did that conversation take place?—A. The actual date I can't remember, sir.

Q. Approximately.—A. It was after this thing had been organized, but still in the early stages.

Q. Where did you talk to James?—A. Well, sir, that must have been at the association offices or may have been in the union offices.

Q. You do not have a distinct recollection of where?—A. No, sir, I don't.

Q. What was said?—A. Well, the incident in the thing is tied pretty closely to an increase in the dues in the union, and that he needed more money to be able to take care of his obligations.

Q. To whom?—A. To Mr. Brennan and Hoffa.

Q. What did he say those obligations were?—A. Well, that in order to keep them from, or rather to keep somebody from getting to them—referring to the Italian element in town—that he would have to keep them satisfied with money.

Q. Was any amount named?—A. No, sir, specific amount—I couldn't say as to the specific amount.

Q. Wasn't some amount per week named?—A. Yes, sir, it was to be worked on a weekly basis, paid on the payroll of the union.

Q. How much was to be paid through the union payroll?—A. As I can recall, \$100 or \$150.

Q. Was that \$100 apiece?—A. Yes.

Q. To Hoffa and Brennan?—A. Yes, sir.

Q. Were the wives of Mr. Hoffa and Mr. Brennan mentioned?—A. Yes, sir, I believe they were.

Q. In what connection?—A. That they would be put on the payroll.

The COURT. What payroll?

The WITNESS. On the union payroll.

By Mr. MOLL:

Q. Do you know whether either Hoffa or Brennan or their respective wives were put on the union payroll?—A. Actually, I don't know, sir.

The COURT. You mean that particular union that was dealing with the group?

The WITNESS. Yes.

By Mr. MOLL:

Q. Now, what was the raise in dues that was effected to cover that situation, from how much to how much?—A. Actually the increase, as well as I can remember, from approximately 50 cents to about 70 cents.

Q. And the stated purpose as told you by James was to create a fund for payment to Hoffa and Brennan, is that correct?—A. Yes, sir; I believe that's correct.

Q. Well, is there any doubt about it in your mind?—A. No, sir; there is not.

Q. Was anyone else present when you had this conversation with James?—A. Well, sir, I believe Mr. Brilliant was present.

Q. And anyone else?—A. It is possible other members of the board of the association were present.

Q. And you remember where that conversation took place?—A. Actually I can't remember, sir, but it would seem more likely that would be in the association offices.

Q. Where were your offices?—A. At that time they were in the Maccabees Building.

Q. Now, then, to recapitulate a little bit: You were told by Presser that the payment of \$5,000 was in part for his services, and in part to take care of Hoffa and Brennan?—A. Well, sir, on that point I am actually not too clear.

Q. Well, if he stated it would be necessary for him to grease his way in.—A. Yes.

Q. And to have the support of the proper people.—A. Yes, sir.

Q. And in that connection he mentioned the heads of the Teamsters Union, did he not?—A. I believe so; yes, sir.

Q. Can you say "yes" or "no" to that?—A. Actually I can't say "yes" to that, sir.

Q. But you think he mentioned them before that?—A. I think so.

Q. Had you ever met Hoffa and Brennan up to that time?—A. No, sir.

Q. Did you know who they were?—A. By name only, by reputation.

Q. Did you have any discussion of them with Presser?—A. No.

Q. The necessity of taking care of them?—A. No, sir; I didn't.

Q. Well, except what you have already stated.—A. Yes, sir.

Q. Now, then, later on you talked to James at this time when the dues were raised from approximately 50 cents to 70 cents per machine concerning the necessity of some payment to Hoffa and Brennan?—A. Yes, sir.

Q. Which you think he stated as \$100 apiece, to each?—A. Yes, sir.

Q. Is that correct?—A. As near as I can remember; yes, sir.

Q. That was to be handled—how was the payment to be made?—A. Through the union payrolls, sir.

Q. Did he say what the machinery would be?—A. As I recall that, the wives of Hoffa and Brennan would be put on the payroll and that they would receive the money.

Q. In their own names or some other names?—A. That I don't think was specifically mentioned, sir.

The COURT. And the money would be the differential between 50 and 70 cents per machine increase?

The WITNESS. No, sir; I can't say that is correct. There was a necessary increase there, but I don't believe it was mathematically arrived at.

Mr. TRAVIS. That was the excuse used, however, for raising the dues; isn't that so—what you just told us?

The WITNESS. Yes.

Mr. MOLL. Well, is that all for the time being?

Mr. WATSON. I would think so.

Mr. MOLL. Would you mind staying with us for a little while?

The WITNESS. No, sir.

Mr. MOLL. Will you sit out here in the other room, please?

(Witness excused.)

3 p. m.

JOSEPH BRILLIANT, having been previously duly sworn, resumed the stand, was examined and testified further as follows:

Mr. MOLL. This is Joseph Brilliant, previously sworn and testified as a witness before the Grand Jury.

Examination by Mr. MOLL:

Q. Now, Mr. Brilliant, I want to ask you a few questions concerning your testimony last night. Also your knowledge of the juke-box business. Now, you are the president of the association?—A. Yes, sir.

Q. From its inception?—A. No, not from its inception—this one.

Q. I mean the present association?—A. Yes, sir.

Q. You have been president since the organization in January 1945?—A. Yes, sir.

Q. You contributed to a fund of \$5,000?—A. Yes, sir.

Q. By giving a check on your company for \$650?—A. That's right. I can't remember exactly whether the check or cash, but I did give \$650.

Q. To whom?—A. Vie DeSchryver.

Q. What was done with that money?—A. That is something I don't know.

Q. Were you ever told what was done with it?—A. No, sir.

Q. Did DeSchryver ever say what he had done with it?—A. No.

Q. You don't know Presser, do you?—A. Yes, sir.

Q. You had met him here in Detroit and in Cleveland?—A. Yes, I met him here in Detroit and Cleveland.

Q. You knew Presser and Dixon were around here from Cleveland in the latter part of January and the early part of February 1945?—A. Yes.

Q. Did you visit either Presser or Dixon in their hotels while here?—A. Yes, sir.

Q. What hotel?—A. I think the Book-Cadillac.

Q. Now, are you sure of that?—A. No, sir.

Q. The Statler?—A. I think it was the Book. I am not sure which one. On different occasions maybe at both.

Q. Did they ever stay at the Detroit Leland?—A. I wouldn't say for sure, sir.

Q. Now, in Cleveland or in Detroit in any of your conversations with Presser, did he state to you it would be necessary for him to grease his way into Detroit?—A. No, sir; I never heard that remark made.

Q. Well, did he ever say it would be necessary to get the good will of some of the top union officials?—A. Not to me, he didn't.

Q. I am talking to you.—A. No, sir.

Q. Did he state to you both in Cleveland and here in Detroit, to make a success of the union-association combination you would have to have the blessings of some of the top union officials?—A. No, sir; he did not.

Q. Never did?—A. No, sir.

Q. You swear to that under oath?—A. Yes.

Q. And if we have testimony to the contrary you still say that was not said?—A. To the best of my knowledge I never heard of it.

Q. I am only asking you to the best of your recollection.—A. My recollection, I don't remember.

Q. You don't know he demanded \$5,000?—A. I do know there was something said about \$5,000; yes.

Q. What purpose was stated?—A. To showing us how to get our bylaws and a lot of other things.

Q. And to effect a connection between the union and the association?—A. No, sir.

Q. Well, that was done, wasn't it?—A. If anything of that kind was done, it wasn't done with my permission or anything of the kind.

Q. It wasn't?—A. No.

Mr. MOLL. All right.

The COURT. Just a minute, right there. You have been in this business a good many years and you have been president since the inception of this particular association?

The WITNESS. Yes.

The COURT. And you know as well as it is daylight here that association could not exist successfully without the combination and a tying in with the union; don't you?

The WITNESS. Well, I wouldn't put it that way, sir.

The COURT. You might just as well go out and shovel the water out of there and you know your association——

The WITNESS. We have had a couple of associations functioned very well, but the trouble is, every time we had an association different unions would raid the darned thing. One union would fight the other, one union would fight the other, and it became a troublesome affair. We have had five different unions.

The COURT. You know these men advised you from Cleveland in order for them to carry out the proposed policy for your best benefit, the association must necessarily integrate with the union?

The WITNESS. No, sir; what they did say——

The COURT. Well, if they didn't say that, as a matter of fact, it has been integrated with the union ever since it was organized?

The WITNESS. You mean we have cooperated with them?

The COURT. Yes.

Mr. MOLL. Yes.

The WITNESS. Yes; we have.

By Mr. MOLL:

Q. What did they say?—A. They said we shouldn't have 16 different unions. We should sign a union contract with one union.

Q. Did they say what that union was?—A. No, sir.

Q. Did they say who was going to head up that union?—A. No, sir; they didn't.

Q. Was James mentioned?—A. No.

Q. How long did you negotiate with Presser and Dixon in Cleveland?—A. They came here quite often for quite some time.

Q. How long were you down there; several days, weren't you?—A. A couple of days. I think two.

Q. Then they also came on here several times?—A. Yes.

Q. During which time you saw them and talked to them?—A. Yes, sir.

Q. Was James in on any of those conversations here in Detroit?—A. No, sir; not with me.

Q. Did you ever talk to James about the time the dues were raised from 50 cents to 70 cents a machine?—A. Yes.

Q. Where did you talk to him?—A. I think in his office. He called me in.

Q. Who was there?—A. Just him and I.

Q. What did you talk about?—A. He says he couldn't function the union on the small amount of money he was getting; he would have to raise the dues.

Q. Why?—A. Because he said he couldn't manage?

Q. What did he say he had to have more money for?—A. For organizational work and everything else.

Q. Take care of anybody in the union?—A. No, sir; he never discussed that with me.

Q. Now, weren't you there with DeSchryver when the matter of the increase in dues was discussed with James?—A. Was Vic with us?

Q. Yes.—A. Well, he talked to me several times on it.

Q. And the purpose of that increase was to provide some payment to Hoffa and Brennan; wasn't it?—A. If anything of that kind happened, it wasn't in front of me.

Q. You mean to say that was never discussed with you?—A. No, sir.

Q. About putting them or their wives on the payroll?—A. No, sir.

Q. Never?—A. No, sir.

Mr. MOLL. All right.

The COURT. Who would that be more likely to be discussed with, a think like that, than with you who was the president?

The WITNESS. I don't know; he never discussed it with me.

The COURT. You had the most important job in the association?

The WITNESS. They wished that on me; yes, sir.

The COURT. And you are a hard-headed businessman.

The WITNESS. I am not hot-headed.

Mr. TRAVIS. Hard-headed.

Mr. MOLL. Smart.

The WITNESS. I don't know about that.

The COURT. Would Presser or anybody else talk to somebody lower down in your organization than you are, and not talk to you about it?

The WITNESS. Well, they didn't talk to me about it.

By Mr. MOLL:

Q. Have you remembered about that \$2,000 check—what that was given to you for?—A. Yes, I took it.

Q. For what purpose?—A. For myself.

Q. Did you figure out your expenses for which you claim reimbursement in that \$2,000 check?—A. Did I figure out expenses?

Q. Yes.—A. I thought it was approximately \$2,000, and that's what I asked for, and I thought I had that coming, and I took it.

Q. You want to tell us now you never advanced \$2,000 to James prior to that?—A. That's right.

Q. You did make him personal loans?—A. I did, sir.

Q. On several occasions?—A. Yes.

Q. Which you say were paid back at least in part?—A. Yes, sir.

Q. How much does he owe you now?—A. I will have to check and see.

Mr. MOLL. I guess that's all right now, don't you think?

The COURT. Yes.

Mr. WATSON. Any further recollection about that \$500 check?

The WITNESS. I must have spent it. If I took it, I must have spent it for something.

Mr. WATSON. No, no, that is the check made payable to you and then endorsed by Mr. James and some lady, and entered in the books of the association as promotional expenses.

The WITNESS. I might have had him cash it for me. That's the only way I can figure it, because I never gave him that.

The COURT. Mr. Brilliant, you testified yesterday and testified today? .

The WITNESS. Yes, sir.

The COURT. Early this morning you testified?

The WITNESS. Yes.

The COURT. Do you want to let the record stand as you made it?

The WITNESS. Yes, sir.

The COURT. You want to change it any way?

The WITNESS. No, sir.

The COURT. Do you want to modify it in any way?

The WITNESS. In what way?

The COURT. Modify your answers to the questions put to you?

The WITNESS. No, sir.

The COURT. That's the way you want the record to stand?

The WITNESS. Yes.

The COURT. All right, you may be excused.

The WITNESS. Thank you, sir.

(Witness excused.)

3:15 p. m.

EUGENE C. JAMES, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

Q. What is your full name?—A. Eugene C. James.

Q. Where do you live?—A. 43905 West Six Mile Road.

Q. Is that Detroit?—A. No, sir.

Q. Where is that, what township?—A. Oakland Township.

Q. How long have you lived there?—A. I have lived there about six months, six or seven months.

Q. You own that house?—A. I own part of it.

Q. When did you buy it?—A. I bought it in the early spring.

Q. This year?—A. Yes, or late—yes, early spring, after the first of the year. I don't remember the exact day.

Q. From whom?—A. A man named Harry Lush.

Q. L-u-s-h?—A. Yes.

Q. How much did you pay for it?—A. \$25,000.

Q. How much down?—A. \$10,000.

Q. And you are buying the house on contract?—A. Yes, sir.

Q. The contract runs to Lush?—A. No, sir; to the bank.

Q. What bank?—A. Detroit National.

Q. National Bank of Detroit?—A. Yes.

Q. In this building?—A. Yes, sir—no, sir; over on Griswold and—Griswold—

Q. And State?—A. Yes.

Q. You mean the Bank of Detroit?—A. Yes.

Q. You have title to the property?—A. Yes.

Q. And the bank has the mortgage?—A. Yes.

Q. What is the amount of the mortgage?—A. \$15,000, or somewhere close.

Q. And who executed that mortgage?—A. Who executed the mortgage?

Q. You and your wife?—A. Yes.

Q. What is your wife's name?—A. Eleanor.

Q. What are the payments on that mortgage?—A. One hundred—well, I would say roughly 30 or 40 a month.

Q. Did you mean 130 or 140 a month?—A. Yes.

Q. Does that include the taxes?—A. No, sir; I don't presume it does.

Q. What are your taxes out there?—A. I haven't paid them yet. I don't know.

Q. Where did you live before the purchase of this house?—A. I lived on Col-  
lingham Drive, near Gratiot. I have forgot the number.

Q. Did you own that house?—A. Yes.

Q. Sell it?—A. Yes.

Q. To whom?—A. I don't even know his name. I am sorry, but I don't know. You can get the information from Seymour Frank. He closed the deal.

Q. Sell it for cash?—A. Yes.

Q. How much?—A. I got in the neighborhood of \$9,000.

Q. From this purchaser, whatever his name was?—A. Yes.

Q. Where do you keep your bank account?—A. Bagley-Clifford Bank.

Q. What bank?—A. Detroit National Bank, National Bank of Detroit.

Q. What accounts do you carry over there?—A. Checking account.

Q. In your name?—A. Jointly.

Q. With—A. My wife.

Q. Eleanor?—A. Yes.

Q. Is that your only bank account?—A. Yes.

Q. How much is in the account now?—A. Oh, I imagine around \$1,000, more or less. It might be 100 less or 100 or two more.

Q. Do you have any safety deposit boxes?—A. No.

Q. In Detroit or out of Detroit?—A. No.

Q. You have none at all?—A. No, sir.

Q. Is that right?—A. That's right.

Q. In any name?—A. No name.

Q. Does your wife have a box?—A. Not to my knowledge.

Q. Have you any children?—A. Two.

Q. How old are they?—A. Four years and eighteen months.

Q. Now, outside of this house, what other property do you own?—A. I don't own any.

Q. Own any other real estate?—A. No, sir.

Q. Own any personal property?—A. What do you mean by personal property?

Q. Stocks, bonds.—A. A little bit.

Q. What stocks do you own?—A. Well, I own some Frankfort Broadcasting Company. I think that's all.

Q. Frankfort Broadcasting Company?—A. Yes.

Q. Where are their headquarters?—A. Frankfort, Kentucky.

Q. Are you a stockholder?—A. Yes, sir.

Q. To what extent?—A. Well, I am just a stockholder.

Q. Well, how much stock do you own?—A. How much money have I in there?

Q. No; how much stock do you own in the Frankfort Broadcasting Company?—

A. I don't really know, to be frank with you. Breaking it down in shares, I don't know how many I own.

Q. How much money did you put in it?—A. About \$2,000.

Q. When?—A. Well, that has been some time ago, probably a year and a half ago.

Q. A year and a half ago?—A. That is close to it. But it may be a little either way.

Q. Have you formerly lived in Frankfort, Kentucky?—A. No, sir.

Q. How did you happen to make that investment?—A. Some of my friends were opening it up and I bought stock in it.

Q. Who are some of the stockholders, officers, or directors that you know?—A. The only one I know is a fellow named Fleming.

Q. What is his first name?—A. I couldn't tell you. C. H. are his initials, I know that.

Q. Where does he live?—A. Well, I think he lives in Washington. No, I believe he is in Louisville, Kentucky.

Q. Is he the one that interested you in it?—A. Yes.

Q. Now, do you own any other stock?—A. No.

Q. Own any stock in any music companies?—A. No, sir.

Q. Locally?—A. No, sir.

Q. You are sure of that?—A. Yes, sir.

Q. Any stock appear in your name on the books of any of these music companies?—A. No, sir.

Q. Have you ever owned any stock in these local music companies?—A. No.

Q. No money invested in any of them?—A. No, sir.

Q. Any money invested in any distributing or sales company?—A. No, sir.

Q. Sir?—A. No, sir.

Q. Not at all?—A. No.

Q. Own no stock, no interest in any music sales or distributing company?—A. No, sir.

Q. Ever buy any stock in any such companies?—A. No.

Q. Or given any stock?—A. No, sir.

Q. Buy any stock from DeSchryver?—A. No, sir.

Q. Never?—A. No, sir.

Q. Hold any stock in trust for anyone in any of these concerns?—A. No, sir.

Q. Are you the beneficiary of any stock held by some other trustee?—A. No.

Q. Now, of course, you know you are under oath?—A. Yes, sir.

Q. You have never bought or sold any stock or any interest whatsoever in any music sales or distributing company locally?—A. No, sir.

Q. And as I understand your answer you have not been given any stock or any financial interest in any of these companies?—A. No, sir.

Q. Does your wife own any stock in any of these companies?—A. Not to my knowledge.

Q. Has she ever owned any stock?—A. Not to my knowledge.



Q. What is your present business?—A. I am with the Music Maintenance Workers Union.

Q. What local?—A. Local—let me see the number. I don't know the number.

Q. 23816?—A. That's right; 23814?

Q. 814?—A. Yes.

Q. It is 816, isn't it?—A. I don't believe so.

Q. What is your capacity with the union?—A. I am secretary-treasurer and business manager.

Q. Who is president of the union?—A. A fellow named Fleisher.

Q. Who is vice president?—A. A fellow named Seitz.

Q. What is Seitz' first name?—A. Gene, Eugene.

Q. What is Fleisher's first name?—A. Arnold.

Q. Where does Seitz live?—A. Who?

Q. Seitz.—A. I don't know.

Q. Where does Fleisher live?—A. I don't know.

Q. Are they ever at the office?—A. Yes.

Q. Are they paid by the local?—A. No, sir.

Q. Who pays them?—A. They are paid for meeting occasionally, but they are not salaried employees. I think they get so much a meeting. I don't know how much. I think we pay them \$5 a meeting, and Fleisher did work for me a little while part time. I don't know exactly how long.

Q. You don't know where either Seitz or Fleisher live?—A. I could find out for you, but I don't know offhand.

The COURT. Where were you born?

The WITNESS. Where were I born?

The COURT. Yes.

The WITNESS. Morgantown, Kentucky.

The COURT. When?

The WITNESS. 1905.

The COURT. What is the month?

The WITNESS. November.

The COURT. 1905?

The WITNESS. Yes.

The COURT. You are 41 years old.

The WITNESS. Yes.

The COURT. When did you come to Detroit?

The WITNESS. Sir?

The COURT. When did you come to Detroit?

The WITNESS. '21, '22, somewhere around there—'23.

The COURT. What did you do before you got into the union?

The WITNESS. Worked at plants.

The COURT. Factories?

The WITNESS. Yes.

The COURT. Ever arrested and convicted?

The WITNESS. Never convicted.

The COURT. Were you arrested?

The WITNESS. Yes.

The COURT. For what?

The WITNESS. Gambling.

The COURT. Where?

The WITNESS. In Detroit.

The COURT. What became of the case?

The WITNESS. Just a gambling case; dismissed.

The COURT. What does the union pay you?

The WITNESS. Sir?

The COURT. What does the union pay you?

The WITNESS. They pay me \$225 a week.

The COURT. \$225?

The WITNESS. That's right.

Mr. TRAVIS. That includes expenses.

Mr. MOLL. Get any expense allowance?

The WITNESS. Yes.

Mr. MOLL. How much?

The WITNESS. \$75 a week.

The COURT. How much do they pay you here?

The WITNESS. That's all I get, right there. I don't know what the break-down is.

The COURT. You are the highest paid union agent in Detroit.

The WITNESS. Well, I don't know whether I am or not.

The COURT. Do you get a check every week?

The WITNESS. Yes.

The COURT. From the union?

The WITNESS. Yes.

The COURT. Of \$225.

The WITNESS. No. It runs a little more than that, with expenses.

The COURT. That is your salary?

The WITNESS. That's my salary.

The COURT. Do you know how much Jimmy Hoffa gets?

The WITNESS. No.

The COURT. He gets \$100 a week.

The WITNESS. He ain't as good a man as I am, then, Judge.

The COURT. To the union you are worth more, twice as much, more than twice as much as Hoffa is to Local 299?

The WITNESS. I couldn't answer that. I don't know what he makes.

The COURT. The books of your local reflect they pay you \$225 a week.

The WITNESS. To the best of my knowledge that is what it is supposed to be.

I don't keep the books.

The COURT. Do you know Brennan?

The WITNESS. Yes.

The COURT. Bert Brennan?

The WITNESS. Yes.

The COURT. You have a job that pays much better than his; he only makes \$100 a week.

The WITNESS. I can't help that.

The COURT. On or about January 1945 what was your net assets?

The WITNESS. I don't know.

The COURT. What did the union pay you before you became associated with that particular local?

The WITNESS. Which union?

The COURT. What local are you an officer of now?

The WITNESS. I am an officer of three or four unions.

The COURT. Well, this music union, what is that local?

The WITNESS. 23814.

The COURT. Is that the union that pays you \$225.

The WITNESS. Yes.

The COURT. A week?

The WITNESS. Yes.

The COURT. Do you get any compensation from any other local?

The WITNESS. Yes.

The COURT. From what other local?

The WITNESS. Two other locals.

The COURT. Two other locals pay you?

The WITNESS. Yes.

The COURT. Besides this \$225?

The WITNESS. Yes.

The COURT. Which local?

The WITNESS. Foundry Workers International Union, I am vice president.

The COURT. What do they pay you?

The WITNESS. \$50 a week for attending board meetings.

The COURT. What other local?

The WITNESS. 129.

The COURT. What is that?

The WITNESS. Laundry Workers. That is a local affiliated with the International.

The COURT. What do they pay you there?

The WITNESS. I cut myself off there. I was making a salary, quite a bit, and I cut it down to \$5 a week.

The COURT. You get \$225 from the Music local?

The WITNESS. Yes.

The COURT. From another local you get \$50 a week.

The WITNESS. Yes.

The COURT. That is \$275?

The WITNESS. Yes.

The COURT. And the last one you get \$5 a week?

The WITNESS. Yes.

The COURT. \$280 a week?

The WITNESS. Yes.

Mr. MOLL. Is that your total income from all sources?

The WITNESS. No.

The COURT. Own any property you get rent from?

The WITNESS. No.

The COURT. Dividends from stocks or bonds?

The WITNESS. No.

The COURT. All right.

By Mr. MOLL:

Q. Own an automobile?—A. Yes, sir.

Q. What kind?—A. I own a Buick.

Q. When did you buy that?—A. About a month ago.

Q. Where?—A. I bought it from Hacquoil Motor Sales on Grand River.

Q. How did you buy it, cash?—A. Paid cash for it.

Q. Didn't turn anything in?—A. Yes.

Q. What?—A. A Pontiac.

Q. What model?—A. '46.

Q. When had you bought the '46 Pontiac?—A. Oh, possible two months before I trade it in.

Q. From where?—A. From the Grates Motor Sales.

Q. Pay cash for that?—A. Yes.

The COURT. All cash?

The WITNESS. Yes.

The COURT. Any trade-in?

The WITNESS. Sir?

The COURT. Did you make a trade-in?

The WITNESS. Yes.

The COURT. What did you trade in on the Pontiac?

The WITNESS. A Pontiac.

The COURT. Traded in another Pontiac?

The WITNESS. Yes.

Mr. WATSON. What model?

The COURT. What model?

The WITNESS. '41.

The COURT. What did they allow you?

The WITNESS. I can't answer that offhand. I don't know.

The COURT. Approximately?

The WITNESS. I would say between five and seven hundred.

The COURT. What did you pay for that Pontiac, the one you bought this year?

The WITNESS. Roughly around 1400.

The COURT. Your allowance was about five hundred.

The WITNESS. I would say somewhere—it may be more or less, but I would say in the neighborhood of five to seven hundred.

The COURT. So you put in the Pontiac and about nine hundred dollars more or less.

The WITNESS. More or less in cash.

The COURT. With a clear title, without incumbrances to the '46 Pontiac?

The WITNESS. Yes.

The COURT. You paid about fifteen hundred for the Pontiac?

The WITNESS. The trade-in and all.

The COURT. Fourteen or fifteen hundred?

The WITNESS. Yes.

The COURT. Then you had that about two months and traded it for a Buick?

The WITNESS. Yes.

The COURT. What did you pay for the Buick?

The WITNESS. I think the Buick listed for \$2,100, somewhere close to that. I don't know the exact figure.

The COURT. You turned in the Pontiac on that one?

The WITNESS. Yes.

The COURT. What did they allow you on the Pontiac?

The WITNESS. Just about what it was worth.

The COURT. Fourteen or fifteen hundred?

The WITNESS. Yes.

The COURT. And the differential you paid by cash?

The WITNESS. Yes.

The COURT. Check or cash?

The WITNESS. Cash.

The COURT. So you have a car now worth about——

The WITNESS. \$2,000.

The COURT. And a brand new car?

The WITNESS. Yes.

The COURT. How many miles have you got on it?

The WITNESS. Fifteen or eighteen hundred.

The COURT. Have you got a checking account?

The WITNESS. Yes.

The COURT. Where do you bank?

The WITNESS. The Clifford-Bagley branch.

The COURT. What is your balance now?

The WITNESS. I imagine around \$1,000, maybe a little more or a little less.

The COURT. Did you own any house before you bought this one?

The WITNESS. Yes.

Mr. MOLL. He said he did.

Mr. GARBER. Did you owe anything on that house when you sold it?

The WITNESS. Yes.

Mr. GARBER. How much?

The WITNESS. I don't remember exactly.

Mr. GARBER. How much cash did you draw?

The WITNESS. I don't know.

Mr. GARBER. Approximately?

The WITNESS. Maybe \$3,000, maybe thirty-five or thirty-eight hundred.

The COURT. Did you borrow any money to buy this house?

The WITNESS. Yes.

Mr. MOLL. Let's come to that a little later.

The COURT. All right.

Mr. Mr. MOLL:

Q. When was this local union organized?—A. It was organized sometime in 1944; in the fall of '44.

Q. Get a charter at that time?—A. Yes.

Q. Who got the charter?—A. I did.

Q. From what source?—A. American Federation of Labor.

Q. Do you remember the date of the charter?—A. No.

Q. Is this a new charter?—A. Yes, sir.

Q. How did you happen to get the new charter?—A. Because I wanted one.

Q. With whom had you discussed it?—A. Bill Green.

Q. Who else?—A. I don't know offhand whether I discussed it with anybody else or not. I might have.

Q. Did you discuss it with any of the local operators?—A. Sir?

Q. Did you discuss it with any of the local operators?—A. No; I think I had a charter before I ever discussed with the local operators, to the best of my knowledge.

Q. Weren't you called in at a meeting of the operators before you had any charter, and wasn't the question of getting a revised charter, or a new charter, discussed with you?—A. No; I don't recall that.

Q. Didn't you tell these operators you didn't know anything about the music business, you might become interested later on?—A. Interested in what?

Q. The music local charter.—A. Naturally I would be interested if I was going after a charter.

Q. Don't duck the question.—A. I don't know what you mean, Mr. Moll.

Q. All right; I will make it plain to you?—A. Fine.

Q. Weren't you called into a meeting of the local operators before you ever had the charter?—A. No, sir; I never attended any meetings before I got a charter. I would sure get a charter before I attended any meetings.

Q. That's the way you want your testimony to stand?—A. Yes; because that's the truth.

Q. Your charter is of what date?—A. I don't know.

Q. Well, who the hell would know if you don't?—A. It is hanging up there on the wall. You can go up and see it, or I will go.

Q. I am not going to see it.—A. I don't know the date on it.

Q. Approximately what time?—A. Sometime in the fall of 1944. I will cooperate to the best of my ability, but I am not going to tell you something I don't know.

Q. It isn't asking you too much to tell us when your own union was chartered, is it?—A. I told you in the fall of 1944.

Q. When was this Michigan Automatic Phonograph Owners Association organized?—A. Somewhere along in that—within two or three months. The whole thing was around there.

Q. About January 1945?—A. Somewhere in that period of time.

Q. I will show you Grand Jury Exhibit 99 and ask you if that is the contract between yourself on behalf of your local and the association?—A. Must be. My name is on it.

Q. Is that your signature?—A. Yes.

Q. No doubt about that being your signature?—A. No; that's my signature.

Q. Now, were you in Cleveland, Ohio, a short time before this contract was entered into?—A. In Cleveland, Ohio?

Q. Yes.—A. I have been there lots of times. I was there a short time before this. I go there pretty regular. I have been going to Cleveland for a number of years. I have other interests in Cleveland, and I go there on business.

Q. Did you go down there in December '44 or January '45 with any of the local operators?—A. I don't remember. I go to Cleveland quite often. I don't know.

Q. Well, you would certainly remember, wouldn't you, if you went to Cleveland with the local operators?—A. I have been down to Cleveland lots of times with lots of people, and whether the operators were there with me or not, I don't know. It is possible they were and possibly they weren't. I know I have been in the operators' conventions in Cleveland lots of times.

The COURT. Were you down to Cleveland around in January 1945 with jukebox operators of Detroit?

The WITNESS. Judge, if you want me to tell you, I will say yes, but I don't remember.

Mr. MOLL. All right; Brilliant, DeS-hryver, Patton—

The WITNESS. I have been in Cleveland with all of them.

The COURT. Separate times?

The WITNESS. But I don't remember the dates we were there.

By Mr. MOLL:

Q. What was your purpose in going to Cleveland?—A. Lots of purposes to go with them. The first time to find out there was a local union there the same as mine. The men wanted to know how that functioned, how they worked, who run it, and all about it.

Q. That was one of the reasons. Was that before or after you got your charter?—A. Both before and after.

Q. Did you go down before you got your charter with some of the local operators?—A. No; not to my knowledge.

Q. Well, you would have knowledge of it if you went, wouldn't you?—A. Well, I have told you I have been there numerous times. I suppose I have been there with a lot of operators. I was in Cleveland with practically all of the operators in Detroit.

Q. Both before and after you got your charter?—A. No; I wouldn't say before I got my charter.

Q. Were you ever in Cleveland before you got your charter with any of the local operators from here?—A. Not to the best of my knowledge.

Q. Who did you see in Cleveland?—A. Oh, I saw the heads of their local.

Q. Who was that?—A. A fellow named Salubo, and I saw a gentleman named Presser. I saw Leo Dixon. I saw everybody connected with it, I suppose.

Q. Do you remember going down there in January 1945 to see Presser and Dixon with some of the local operators?—A. I wouldn't say I didn't, but I don't recall it. I probably did. If you have knowledge to believe I did, I wouldn't say I didn't.

Q. We have plenty of knowledge.—A. I don't doubt it.

Q. I am not telling you what to say. You say whatever you want to say.

Mr. WATSON. You stated you had other business interests in Cleveland. What are those businesses?

The WITNESS. We have local unions there. I am vice president of the International and I cover a bunch of states. I go in there often with all the others.

Mr. WATSON. Were you president of the International then?

The WITNESS. Yes.

Mr. WATSON. Which International?

The WITNESS. Laundry Workers International.

Mr. WATSON. You are president rather than vice president?

The WITNESS. No, I am vice president, seventh vice president.

Mr. WATSON. Your local of the laundry workers is the one Mr. Litwak is associated with here?

The WITNESS. Who is that?

Mr. WATSON. Isaac Litwak?

The WITNESS. He is the drivers', that is the truck drivers', but I have nothing to do with that.

Mr. WATSON. The laundry workers' international as distinguished from the laundry and linen drivers' local?

The WITNESS. I am a little hard of hearing. You will have to speak loud.

Mr. WATSON. It is the laundry workers' international of which you are vice president?

The WITNESS. Yes.

Mr. WATSON. As distinguished from the laundry and linen drivers?

The WITNESS. Yes; that's a different international altogether.

By Mr. MOLL:

Q. Do you remember being down in Cleveland when any of the local operators were along and the method of organizing the association was discussed with Presser?—A. Not to my knowledge; no.

Q. Do you remember it; yes or no?—A. Not to my knowledge. I don't remember it. I might have talked with them about everything. God, I might have talked with them a lot of times. I don't know whether I talked to them about what you are talking about or not. I wouldn't say I didn't, and I wouldn't say I did.

Q. Well, you say this contract was executed on the 26th of January 1945; is that right?—A. If that's the date, that's right. That's what it says, January 26, 1945.

Q. Now tell us, in your own words, what your agreement is with the association?—A. I have a closed-shop agreement they will only employ union help.

Q. What else?—A. The rates—the terms are all right in there. I have a closed-shop agreement with the Michigan Automatic Phonograph Owners Association which all employees that are employed by them will have to be a member of my union, under that contract.

The COURT. What fees do the individuals that work for that association pay to the union?

The WITNESS. The mechanics pay \$7.50 and the collectors pay \$15.

The COURT. Per month?

The WITNESS. Yes.

By Mr. MOLL:

Q. They are the Class A members?—A. That's the Class A members.

Q. How many of them are there?—A. Oh, there must be 400, something like that, 350 or 400. The fact of the matter, I don't know the exact number.

The COURT. The collectors pay \$15, and the mechanics \$7.50 per month.

The WITNESS. Yes.

Mr. MOLL. Any initiation fee?

The WITNESS. Yes.

Mr. MOLL. What is it?

The WITNESS. \$10.

The COURT. Each of them?

The WITNESS. For each.

By Mr. MOLL:

Q. Paid by whom?—A. Paid by the members.

Q. Was it paid by the members?—A. To the best of my knowledge. That's what my contract calls for.

Q. What are Class B members of the union?—A. Well, they pay the equivalent—they don't all pay the same. The dues are prorated, they go up and down; they fluctuate. It depends on how many people they employ, how many machines they have got and all about it.

Q. Well, what do they pay approximately?—A. Well, I work it from a base—I try to, when setting up—I tried to work it out so they would pay approximately around 70 cents a box. That is what it breaks down to, about, roughly, 70 cents a box.

Q. Was it always 70 cents a box?—A. No.

Q. What was it originally?—A. Now, don't get me wrong when I say 70 cents a box. They don't pay 70 cents, but that is the breaking point I used to figure it from. I think we started off figuring the base of 40 cents a box.

The COURT. How far through school did you go?

The WITNESS. Sir?

The COURT. How far did you go in school?

The WITNESS. I went through high school.

The COURT. Where did you graduate?

The WITNESS. Wichita, Kansas.

The COURT. Four years high school?

The WITNESS. Yes.

The COURT. Did you specialize in any subject?

The WITNESS. No.

The COURT. Specialize in economics?

The WITNESS. No.

The COURT. Specialize in mathematics?

The WITNESS. No.

The COURT. You figure this breaking point at 70 cents. Do you work it on logistics or algebra?

The WITNESS. I work it on the fact it takes so much revenue to operate that business. There is no algebra to it, and no economics to it, to my knowledge. It is just common sense that you can't operate unless you take in so much money, and that is the way I arrived at that figure. I know nothing about algebra.

The COURT. Didn't you arrive at the figure this way: You were going to levy a tribute on each machine the operator had, and you settled on the figure of 70 cents per machine regardless of how many employees the operator had.

The WITNESS. No; that is not correct.

The COURT. How much did the association levy on each machine?

The WITNESS. I have heard they levied 30 cents.

The COURT. Now, you are pretty smart and you made a lot of trips to Cleveland, have a lot of connections down there, did you ever hear of any local being organized and laying tribute on machines other than the ones you levied on and the ones you were informed were levied on in and about Ohio?

The WITNESS. Yes, sir; lots of times.

The COURT. Where?

The WITNESS. Oh, I could name you 15 or 20.

The COURT. 15 or 20?

The WITNESS. Yes.

The COURT. Was that your idea or someone else's idea?

The WITNESS. No; that's my own idea.

The COURT. Your own idea?

The WITNESS. Yes.

The COURT. Well, did you develop that idea after you got out of Ohio, or did you have it before you went in?

The WITNESS. To be frank with you, Judge, I didn't know how to work it out. I knew there was a very small membership and it would take quite a bit of money to operate it. I tried it out breaking at 40 cents a box.

The COURT. You are pretty good at mathematics?

The WITNESS. I am not too good; no, not at all.

The COURT. You're pretty fair.

The WITNESS. No; I am very poor in mathematics.

The COURT. Take that pencil there and figure this out.

The WITNESS. I am no good in mathematics, but I will take the pencil.

The COURT. Here is a little problem for you: An operator has 150 machines and he has got four employees servicing the machines, and they all pay \$15 a month. That is \$60; isn't it?

The WITNESS. That's right.

The COURT. Now, he has got 150 machines and you charge union tribute of 70 cents, approximately, it might be 69 and  $\frac{7}{8}$ ths.

The WITNESS. No; it don't work like that, Judge.

The COURT. 70 cents a machine. Now, when the operator gets through paying you, the union, at the end of the month, what is the operator himself paying?

The WITNESS. With these men collectors or mechanics?

The COURT. We will just say they are collectors.

The WITNESS. It makes a big difference.

The COURT. How many collectors have you got?

The WITNESS. If he has 150 machines, according to our set-up, he couldn't service over 35 machines. It would take 3 collectors.

The COURT. Well, you figure it out your way.

The WITNESS. I am trying to explain it to you. Our rules are he can't service over 35 machines. I don't mean mechanically; I mean collect and change records.

The COURT. Take the unit of 35 machines.

The COURT. \$60 for four collectors?

The WITNESS. That's \$74.

The COURT. \$74. How much does he pay when he does service the machine himself? What does he pay to the union as his share per month?

The WITNESS. If he carries a card in my union he would have to pay—let me see. He would have to pay the balance at the rate of 70 cents a box of 150 boxes. He would have to pay the difference—he would have to pay \$30 a month dues.

The COURT. Himself?

The WITNESS. Yes, roughly; might be a penny either way.

By Mr. MOLL:

Q. How many machines are out in Wayne County, say?—A. Oh, there is roughly 45 or 4,200.

Q. Forty-two or forty-five hundred?—A. Yes.

Q. They are all worked on the same basis?—A. Equivalent; yes.

Q. What is the monthly income of the union, average?—A. Well, I imagine—I don't know. It must be around six thousand a month.

Q. What are your expenses?—A. Well, my expenses just about eat it up. There ain't a hell of a lot left. I don't know exactly how much my expenses are. I could find out from the auditor exactly, but I don't know offhand.

Q. You have a daybook that precedes this one; haven't you?—A. I don't know a thing about those books. You will have to get my auditor.

Q. Does that look like a daybook of your local?—A. Yes; that's it.

Mr. MOLL. Well, let's mark it an exhibit.

(Thereupon a book was marked "Grand Jury Exhibit 100" by the Reporter.)

By Mr. MOLL:

Q. Now, since this contract was entered into in January 1946, how many machines are out in the country or in the area covered by this contract?—A. Well, nobody knew exactly but I'll make a guess of around 4,000 at the time.

Q. And your original deal was around 40 cents a machine from your best recollection, I suppose here?—A. Yes.

Q. Now, when was it raised to a base of 70 cents?—A. I don't know the dates. I know it was raised after a few months, but I don't know just exactly when.

Q. What is your recollection on it?—A. Because I just don't remember dates.

Q. All right, then tell us what was the reason for it?—A. Because there wasn't enough money to operate there. Couldn't make it; dues weren't high enough.

Q. Were you running in the hole?—A. No; I wasn't running in the hole, but I wasn't getting enough money to do what I wanted to do. There wasn't enough money, to be honest about it. I wanted more money for my salary.

Q. What was your salary?—A. I think \$125 a week.

Q. You wanted a raise in salary to what figure?—A. I wanted \$100 a week raise, which I got.

Q. To \$225 a week?—A. Yes, sir.

Q. I suppose your other daybook is down in your office?—A. That's all the books we have got.

Q. Well, you certainly had a daybook before May of 1946?—A. Oh, probably some old one there from '45; yes.

Q. Now, your gross income runs approximately \$6,000 a month, you say?—A. It must be roughly around that; I don't know.

Q. Your expenses are approximately how much?—A. I don't know that.

Q. Well, let's see you take the expenses for the month of May, as indicated by the book. Your salary is \$264.20.—A. With deductions and everything out for income and social security.

Q. Your rent is \$121?—A. Yes.

Q. Who is Louis Fox?—A. He is one of the fellows that works for me.

Q. What does he do?—A. He is a business agent.

Q. Where does he live?—A. Royal Palms Hotel, I think.

Q. Who is Sam Levine?—A. He is another business agent.

Q. Where does he live?—A. Out on the East Side somewhere. I don't know where.



Q. Who is Clarence Hill?—A. He is another business agent.

Q. Where does he live?—A. He lives on Brady Street; somewhere up off Woodward.

Mr. WATSON. Is this Fox a colored fellow?

The WITNESS. No; he's a white fellow.

Mr. WATSON. The Royal Palms is a colored apartment; isn't it?

The WITNESS. Not to my knowledge. It is right across from the Labor Temple there. No; it is not colored.

Mr. WATSON. Up on John R?

The WITNESS. No; it's up on Park Avenue.

Q. Who is Lois Rawlings?—A. She is the girl that works for me; did work for me. She is sick now.

Q. Office girl?—A. Yes.

Q. Where does she live?—A. She lives on the East Side, I don't know the number, but on Bewick, I believe.

Q. How long did she work for you?—A. About a year and a half.

Q. Who is William Zimmerman?—A. He is a boy I had checking locations for me, working for me.

Q. Any other people on the payroll than those I have just named?—A. Yes; I have carried quite a few on the payroll.

Q. At the present time?—A. Present time? No; I think at the present time that's about all.

Q. Anybody else that you can think of?—A. No.

Q. Now, the last expenditures in your daybook haven't been entered. Now, for July, Sam Levine, Clarence Hill, Arnold Fleisher, you say Louis Fox, they were the only employees, is that right?—A. No; there was another, a lady by the name of Miss Bell.

Q. What is her first name?—A. Virginia.

Q. Where does she live?—A. In East Detroit.

Q. Do you know what street?—A. Yes; but I don't know the number. I think it is Cascade or something like that.

Q. Except for those we have named, are there any other persons on your local payroll?—A. At the present time, no.

Q. You split your salary with anybody?—A. No.

Q. What?—A. No, sir.

Q. Jim Hoffa on your payroll in any way?—A. No.

Q. His wife?—A. No, sir.

Q. Brennan?—A. No.

Q. His wife?—A. No.

Mr. WATSON. Ever been?

The WITNESS. Yes.

By Mr. MOLL:

Q. What is that?—A. Yes.

Q. When?—A. Well, I don't remember the exact dates.

Q. Well, approximately. Who was on your payroll of those four?—A. Alice Brennan and Josephine Hoffa.

Q. When did they go on?—A. I don't know the dates.

Q. Approximately?—A. Jesus, I don't know; I frankly don't.

Q. 1945?—A. Yes, sir; I think it was the end of '45.

Mr. GARBER. Where is that '45 book?

The WITNESS. I don't know.

Mr. MOLL. Send one of the boys up there and get it.

Mr. GARBER. Will you call up your girl?

The WITNESS. She is home sick. I think the auditor has it.

Mr. GARBER. What's his address?

The WITNESS. She lives on Bewick, I think.

Mr. TRAVIS. What would he be doing with your 1945 book?

The WITNESS. I don't know what he is doing with them.

Mr. TRAVIS. You are not auditing them now, are you?

The WITNESS. I don't know what he is doing with it. I don't know that he has got it.

Mr. MOLL. See if you can locate this prior daybook.

The WITNESS. If you will call Cherry 0572, you might get hold of them, but it seems to me like—I think I saw some books—I don't know whether they are the ones you want or not, but if you fellows haven't got them, they will be in

the bottom of that file case. If he hasn't got them, and you haven't got them, they are in the bottom of the file case.

By Mr. MOLL:

Q. Now, approximately what month did Mrs. Hoffa and Mrs. Brennan go on the payroll?—A. Well, I am trying to think. These books here—if you will let me look at them I can tell you when, or about when.

Q. Which one?—A. Let's see this one. Maybe we can tell from this one.

Q. That's only '46.—A. '46. Now, they went on before this book came out. They went on in '45. I would say—I think they went on in April, March, or April somewhere.

Q. At how much a week?—A. \$100 a week.

Q. Each?—A. Yes.

Q. When did they come off?—A. They came off, if I remember right, they came off some time in August, July or August, somewhere in there.

Q. Of what year?—A. This year.

Q. So, they were on the payroll at \$100 a week each for over a year.—A. Well, roughly a year, I would say somewhere around there.

Q. The books will show?—A. Yes.

Q. Why were they placed on the payroll?—A. It's a long story.

Q. Give it to us.—A. When I started organizing this union back in 1944—I don't remember the dates, but it was back in '44—I spent a lot of my own money in this thing trying to get it started, and I got to the place where it was hurting me, I didn't have any more money to go ahead with it, and I didn't want to stop. I went to Jimmy and Bert and asked them if they could make me a loan out of the Joint Council to finish the organizational work of my union. They told me it was impossible to loan any money out of the Joint Council, so a short time later, but I don't remember when, not too long after that first time, I had lunch with them, and I explained the situation to them and they agreed they personally would loan me \$2,000, \$1,000 apiece, and I told them at that time it was for the union organization, and when it was in position to pay it back, some way or other, I will compensate them, see they get their money, so they gave me the money.

Q. How?—A. In cash.

Q. When?—A. In 1944.

Q. What month?

The COURT. Why cash?

The WITNESS. Sir?

The COURT. Why cash?

The WITNESS. Well, I don't know why cash. It was in '44.

By Mr. MOLL:

Q. Make any record of the receipt of that money?—A. Did I make any record of it? No, I didn't make a record of it. I knew I owed it.

Q. Put it on the books of your local?—A. No, sir.

Mr. TRAVIS. Why not?

The WITNESS. Because I didn't want to.

The COURT. Nothing crooked about it, was there?

The WITNESS. No, sir; nothing crooked at all.

The COURT. Why not put it on the books?

The WITNESS. Several reasons.

The COURT. Give us one.

The WITNESS. The first reason was, I am pretty friendly with Martel, and Martel and Mr. Hoffa don't get along together, and some of my employees are very friendly towards Mr. Martel, and I was afraid Mr. Martel might feel offended if he found out I was doing business with Mr. Hoffa.

Mr. TRAVIS. You mean, he'd be mad because you didn't borrow it from him?

The WITNESS. That's a little sarcasm, as far as I am concerned. That is not the reason I didn't ask him for it.

By Mr. MOLL:

Q. Well, all right, you got \$1,000 apiece from Hoffa and Brennan sometime in '44?—A. That's right.

Q. Did you pay them back?—A. You want me to finish the story?

Q. Yes, yes, sure. I thought you had finished.—A. A later date, I don't remember the exact date, but at a later date I was in position to take care of my obligation, so I got hold of Jimmy and Bert and I said, "Fellows, my union is in shape to take care of that obligation," and I said, "The only way I know

to pay it back is to put you on the payroll." They said, "We can't go on the payroll because the International Teamsters Union forbids us being on more than one payroll," so I suggested putting their wives on and they said okay, and I said, "give me the social security number and I will put them on the payroll."

Q. Neither Mrs. Hoffa nor Mrs. Brennan performed any services for the money paid to them?—A. No, none whatsoever.

Q. How were they paid, by checks?—A. By checks.

Q. And the local has the canceled checks?—A. Sir?

Q. The local has the canceled checks?—A. Yes.

Q. Where are they?—A. If they are not here, they are in the office. If you haven't got them—I don't know what you took out of there.

Q. Well, we took all we were given.—A. I don't know what you took. I wasn't there. I know you made two trips there, I know that.

Mr. GARBER. Where is that, in the same drawer over there?

The WITNESS. Sir?

Mr. GARBER. Where are the checks?

The WITNESS. The checks are in my desk. They are in my desk.

Mr. SCHEMANSKE. Is the desk open?

The WITNESS. How many trips did you make there? Two trips?

Mr. GARBER. Just one. I wasn't there.

The WITNESS. Is your name Gruber?

Mr. GARBER. Garber.

The WITNESS. Your name is on there?

Mr. GARBER. I might have signed the subpoena.

The WITNESS. You made two trips.

Mr. GARBER. It isn't us. There is all of the two books we have right there.

By Mr. MOLL:

Q. Well, now, does Hoffa and Brennan have any take from that local now?—A. No.

Q. In any way?—A. No.

The COURT. How much money did they take, Mrs. Hoffa and Mrs. Brennan?

The WITNESS. I know roughly. I would say they took, to the best of my knowledge, around \$3,000 apiece.

The COURT. Apiece?

The WITNESS. Yes, roughly.

The COURT. During what period?

(No response.)

By Mr. MOLL:

Q. Do you know whether Presser was paid anything for his services in organizing the association?—A. Not to my knowledge.

Q. Did you ever hear it discussed?—A. No, sir.

Q. What?—A. No, sir.

Q. Did you ever discuss with any of the operators the necessity of raising the union dues from 40 cents to 70 cents for the purpose of paying back Hoffa and Brennan?—A. No, sir.

Q. What?—A. No, sir.

Q. Never did?—A. No.

Q. Was that part of the reason for raising the dues?—A. No.

Q. To repay those loans?—A. No, sir.

Q. Well, tell us again what your reason was.—A. Because there was a lot to be done in the field, and there wasn't enough money there to do any good. There wasn't enough money there to hire help I needed, and I needed more revenue.

Q. But despite that fact you permitted your local to pay out approximately \$6,000 to Mrs. Hoffa and Mrs. Brennan?—A. That's right.

Q. Despite the financial condition of the local?—A. Well, at the time they were paid it, the financial condition of the local, was in pretty good shape.

Q. Well, it improved very rapidly?—A. Yes.

Q. Due to what?—A. Due to the fact we raised the dues.

Q. Was any money given to you by the operators last Christmas time?—A. Yes.

Q. How much?—A. Oh, they gave me a Christmas present. I don't know whether it was from the operators or not. I think it was though, from the operators and members. I don't know how they worked it. They gave me 12 or fourteen hundred dollars. I think something like that.

Q. Don't you remember how much it was?—A. No; I don't.

Q. Was it two thousand?—A. No; it wasn't no two thousand.

Q. Twelve or fourteen hundred?—A. Somewhere in there.

Q. It might have been twelve or fourteen?—A. It wasn't too darned much.

Q. Who gave it to you?—A. Joe Brilliant.

Q. Where?—A. I think he gave it to me at—he took me to lunch one day and told me it was the courtesy of the operators, for a Christmas present.

Q. And I presume that Christmas money was used, at least in part, to buy one of those cars?—A. To do what?

Q. To buy one of your cars.—A. They told me, they said, they would like for me to buy a car. I said, "I can't get no car. I will take the money and I'll do what I see fit to do with it."

Q. You knew the money came from the operators?—A. I thought it came from the operators, sure.

Q. Now, during this summer were you paid any money by Brilliant?—A. Was I paid any money by Brilliant? No, sir.

Q. \$2,000.—A. No, sir. Oh, now, wait a minute. I loaned Brilliant some money. Brilliant loaned me some money. I couldn't say I didn't take no money from him; I couldn't say that, because I did. I took some money from him.

Q. We're not talking about loans. Sometime in July did Brilliant give you \$2,000 because of some claimed encroachment of the CIO?—A. No, sir.

Q. You didn't get \$2,000 from Brilliant?—A. No, sir.

Q. Did you get any amount of money from him?—A. No, sir.

Q. At any time this year?—A. No—oh, yes.

Q. I am not talking about loans.—A. No; I never got any money from him; no, sir.

Q. Was there any threat by the CIO concern to walk in on the jukeboxes?—A. Yes; there was some kind of a threat. They were talking about trying to move in on us; yes.

Q. When was that?—A. It wasn't by the CIO. It was by a group of people here in town that wanted a dual union in the field, and they went to the CIO and tried to get a charter, but the CIO didn't grant them a charter.

Q. Did you discuss that with any of the operators?—A. Not to my knowledge. I think they knew it, too, but I didn't discuss it with them.

Q. Didn't you ever talk with anybody about it?—A. Oh, we all talked about it. It's in the court records, too.

Q. You and the operators discussed that, too, didn't you?—A. Yes; we probably did. We discussed a lot of things and that was probably one of them.

Q. Were you put to any expense in connection with that threat?—A. No.

Q. No money was advanced to you by any of the operators?—A. No.

Q. Or specifically you say Brilliant did not?—A. Give me any money.

Q. Advance you \$2,000 or any money at all?—A. No.

MR. WATSON. Did the association as distinguished from the operators individually?

THE WITNESS. I didn't hear that.

By MR. MOLL:

Q. Did the association advance you any money?—A. No, sir.

Q. In any amount?—A. No, sir.

Q. You want your testimony to stand just that way?—A. Yes, sir.

Q. Despite the fact you are under oath testifying in a judicial proceeding?—A. I didn't take any money from Joe Brilliant or the association. That's on record, and I stand on it.

Q. All right. Now, let's talk about those loans. You borrowed money from Brilliant, did you?—A. Yes, sir.

Q. When and in what amounts?—A. Well, the first time there was ever any money loaned between Joe Brilliant and I, Joe Brilliant came to me one day and said, "Have you any money?" And I said, "I have some. What do you want it for, and how much?" He said he needed \$3,500 and I said, "O. K., I can give it to you," and I give him a personal check.

Q. Used your personal check?—A. Yes.

THE COURT. What Bank?

THE WITNESS. The Detroit Bank, and I think you will find that was paid back to me by the Brilliant Music Company. I loaned that to him, \$3,500, and if I recall right, that was paid back by the Brilliant Music Company and a later date, he asked me for a favor, and I asked him for one, a later date when I was buying my house, and I said, "Joe, I need some money," and he loaned me some money.

MR. MOLL. How much?

The WITNESS. I think once \$2,000 and another time \$3,000, and I paid it back by check, and I gave him the cash once. I don't know how, but I have loaned money back and forth with Joe on several occasions.

Q. Your bank account will disclose that?—A. You're darned right it will disclose it. Everything I have done will be disclosed.

Q. You can bring in your personal checks?—A. You're darned right I'll bring them in.

Q. Now, how about DeSchryver?—A. I have borrowed money from DeSchryver, too.

Q. How much?—A. Well—Christ, I must have borrowed four or five thousand dollars from Vic off and on, and I paid back lots of it.

Q. When did you borrow it?—A. Around about the time I was buying my house.

Q. You got \$9,000 in cash from the sale of your old house?—A. No; I owed a lot on it. I don't know how much it was, but it wasn't all free and clear, and I had decorating to do and I had to finish my home, painting it outside, and I had a hell of a lot expense, and I borrowed money from people, and I paid them back out of my earnings.

Q. You borrowed money from DeSchryver, probably \$5,000?—A. Yes; I have gone to Vic lots of times and said, "let me have two or three hundred or five hundred," and in two or three weeks pay him back in cash. Hell, I have gone to a lot of them, and they have done the same thing to me, and a hell of a lot of the owe me money now.

The COURT. Where are you getting all of this money as a labor agent?

The WITNESS. Good management and I save it.

The COURT. What is your gross income for '45?

The WITNESS. I couldn't tell you, Judge.

The COURT. You filed an income tax?

The WITNESS. Yes; I could hunt it up.

The COURT. Where is the copy of it?

The WITNESS. I don't know; probably home or in my office.

The COURT. You know we can get it.

The WITNESS. That's all right with me, Judge.

Mr. MOLL. How much income did you declare last year?

The WITNESS. Exactly what I earned.

The COURT. What is that?

The WITNESS. I don't know.

The COURT. What do you think it was?

The WITNESS. Well, I imagine it was around—I am not even going to guess, because I don't know exactly. I don't think that is too important anyway. The file will show it, whatever I earned. It was all accounted for.

By Mr. MOLL:

Q. Who, among the operators, owe you any money right now?—A. Well, some loans don't amount to nothing.

Q. Well, name some of them.—A. I would rather not, if it isn't compulsory.

The COURT. Oh, it is very material. You must answer.

The WITNESS. Well, there is a little Greek fellow owes me money, about fifty or seventy-five dollars, and several other small operators. He couldn't make the payments on his phonograph, and it was fifteen here, twenty here, and all small amounts.

The COURT. Take the loans of \$100 or better.

The WITNESS. There is not too many of them.

The COURT. Name one.

The WITNESS. I don't think I could name one or a hundred.

By Mr. MOLL:

Q. How many operators right now owe you money in any amount?—A. Oh, three or four.

Q. All small loans?—A. Yes.

Q. How many of the operators do you owe money to?—A. Two.

Q. Who?—A. Joe Brilliant and Victor DeSchryver.

Q. How much do you owe Joe?—A. I think around \$2,000.

Q. How much to DeSchryver?—A. I think I owe Vic around \$2,000.

Q. Now, you stated you have no interest in any music company sales or distributing company.—A. No, sir.

Q. Never have had?—A. No.

Q. Own no stock or no financial interest in any such companies?—A. No.

Q. Including any of Brilliant's or DeSchryver's companies?—A. No, sir.

Q. I will show you a check drawn on the Michigan Automatic Phonograph Owners Association, check number 100, made payable to Brilliant, endorsed by Brilliant, by you and by Shirley Hunt, and ask you what was the purpose of that check?—A. Who is Shirley Hunt?

Q. I wouldn't know.—A. That's my signature, but I will be a son-of-a-gun if I know what it is for.

Q. Do you remember the check going through your hands at all?—A. No; I don't; frankly I don't. I might have cashed it for him. I don't know.

Q. That is your signature?—A. Yes; that's my signature.

(Thereupon a document was marked "Grand Jury Exhibit 101" by the Reporter.)

The WITNESS. I don't remember that check, unless I might have cashed it for him.

Q. Did you receive any advance in the neighborhood of \$2,000 from the association or any of its officers in about July of this year?—A. No, sir; I told you that once; I didn't.

Q. All right, take a look at that check, will you?—A. I never saw that check before.

Q. I didn't say you did. Just take a look at it. Now, if the explanation of the officials of the association with respect to that check is that the money had been paid to you by Brilliant, and that this was reimbursement to Brilliant, what do you have to say in that respect?—A. I would say they're goddam liars, is what I would say. Excuse my English.

Mr. MOLL. Mark that "exhibit 102."

(Thereupon a document was marked "Grand Jury Exhibit 102" by the Reporter.)

By Mr. MOLL:

Q. The check I have just referred to as Grand Jury Exhibit 102 is a check drawn on the Michigan Automatic Phonograph Owners Association, Incorporated, Chapter Number One, Check Number 384, dated August 26th, 1946, signed by Joseph Brilliant, and countersigned by Victor J. DeSchryver, right?—A. Yes; that's the way it is signed.

Q. In the amount of \$2,000.—A. Yes.

Mr. WATSON. In view of your testimony that you hold no interest, stock interest, beneficiary interest or interest of trust in any way—

The WITNESS. Talk a little louder, please.

Mr. WATSON. In view of your present testimony that you own no stock interest or equity, or interest of trust whatsoever in any music or distributing company—

The WITNESS. No; I don't own any.

Mr. WATSON. I want you to tell us, specifically, whether you are now, or ever have been interested in the Marquette Distributing Company?

The WITNESS. No, sir.

Mr. WATSON. Never have?

The WITNESS. No, sir; not me, I never have.

Mr. WATSON. And the same question with regard to the Marston Distributing Company?

The WITNESS. That's right.

Mr. WATSON. You don't know anything about those companies?

The WITNESS. Sure, I know them, but I don't own any stock in them.

Mr. WATSON. No interest whatsoever?

The WITNESS. No, sir.

Mr. WATSON. Never had any interest whatsoever?

The WITNESS. No, sir.

Mr. WATSON. Ever been in the picture in any way?

The WITNESS. No, sir.

Mr. WATSON. That's your sworn testimony?

The WITNESS. Yes.

Mr. WATSON. You want it to stand?

The WITNESS. Yes, sir.

The COURT. Let me put this question: If and when you pay the moneys to DeSchryver that you now owe him, will certain stock certificates in either one or both of those companies be handed over to you?

The WITNESS. No.

THE COURT. Are you sure?

THE WITNESS. Yes.

THE COURT. Are you disclaiming—

THE WITNESS. I disclaim having any stock. I disclaim owning any part of the Marquette Music or Marston—what is the other?

MR. MOLL. Marquette Distributing Company.

THE COURT. Or have any rights or interest in the business?

THE WITNESS. No rights in the company.

MR. WATSON. Would that answer also be true as to your wife?

THE WITNESS. I don't know about that.

THE COURT. Why wouldn't you know?

THE WITNESS. If she owns something, that is her business.

MR. WATSON. Would you know about it?

THE WITNESS. May or may not.

THE COURT. What is the answer as to your wife?

THE WITNESS. To the best of my knowledge, no.

MR. MOLL. Has she any separate income or means?

THE WITNESS. She has a little money, but not too much.

MR. WATSON. Did you ever advance any money to her for—

THE WITNESS. She has her own check book.

MR. WATSON. You don't mind waiting until I ask the question, and then we will take the answer. Did you ever advance any money to her for the purpose of acquiring any interest or equity in either of these companies whatsoever?

THE WITNESS. No, sir; her money is jointly deposited and she could draw on it if she sees fit.

MR. WATSON. Have you ever had any stock or business transactions with Max Marston?

THE WITNESS. No.

MR. WATSON. None whatsoever?

THE WITNESS. I know Max but I can't say as I have talked to him. I know him real well, but I don't know anything of his company.

MR. WATSON. Are you interested in any companies with Bill Presser?

THE WITNESS. No.

MR. WATSON. Mr. Dixon?

THE WITNESS. No.

MR. WATSON. Mr. Marston?

THE WITNESS. No.

MR. WATSON. Mr. DeSchryver?

THE WITNESS. No.

MR. WATSON. Mr. Brilliant?

THE WITNESS. No.

MR. WATSON. Do you know this gentleman?

THE WITNESS. Yes.

MR. WATSON. What's his name?

THE WITNESS. Ditta, Nick Ditta.

MR. WATSON. In what connection do you know him?

THE WITNESS. I know he is a no-good son-of-a-bitch, if that's what you want me to say. I don't want any part of him.

MR. WATSON. How long have you known him?

THE WITNESS. A number of years.

MR. WATSON. How did you first meet him?

THE WITNESS. How did I first meet him?

MR. WATSON. Yes.

THE WITNESS. Well, that's hard to say. I met him through somebody, by seeing him around the Labor Temple or somewhere.

MR. WATSON. Was he in the labor movement?

THE WITNESS. No.

MR. WATSON. What was he doing at the Labor Temple?

THE WITNESS. Well, he hung around there.

MR. WATSON. With whom?

THE WITNESS. Well, he used to hang around with a guy named Scalisi?

MR. WATSON. Who?

THE WITNESS. Scalisi.

MR. WATSON. Scalisi. Is he connected with some local?

THE WITNESS. He isn't connected with the labor movement, no.

MR. WATSON. Not at all?

The WITNESS. Not to my knowledge. He is not connected with me, I will say that.

Mr. WATSON. What is your information as to what this man Ditta does for a living?

The WITNESS. I couldn't say what he does. I don't know.

Mr. WATSON. What do you think he does?

The WITNESS. I don't know.

Mr. WATSON. What do you hear?

The WITNESS. I know he did own a piece of a bar or something. The last time I heard he owned a piece of Harry Graham's bar. I haven't saw that fellow in a long time. I think the first time I ever got connected with that fellow to know him was away back when he had that big fight in the laundry, years ago.

Mr. WATSON. The one involving Jacobi?

The WITNESS. No, involving myself.

Mr. WATSON. Which one was that?

The WITNESS. Years ago when we were organizing the laundry, when we were fighting that mob, and they shot at me and tore me up a little bit.

Mr. WATSON. Did they hit you?

The WITNESS. They put a lot of glass in me out of the car. I don't know who did it.

Mr. WATSON. Was Ditta associated with the mob you were fighting with?

The WITNESS. To the best of my knowledge, I know the man but I never had no dealings with him. I don't like him and I don't want any part of him.

Mr. WATSON. Do you know Morris Nort?

The WITNESS. Yes.

Mr. WATSON. How long have you known him?

The WITNESS. Oh, I suppose three or four years.

Mr. WATSON. Is he a friend of yours?

The WITNESS. Well, I would say yes. I don't know whether you would call him a friend. I know the fellow. I know him well enough to speak to him, but I have never had no dealings with him.

Mr. WATSON. Never fooled around with him?

The WITNESS. No.

Mr. WATSON. Do you know Art Stringari?

The WITNESS. Yes, very well, Art and I are good friends.

Mr. WATSON. Ever had any business dealings with either Nort or Stringari?

The WITNESS. None whatsoever.

By Mr. MOLL:

Q. What is this book here, James?—A. I never saw it before, but I will look at it. Well, I tell you, I don't know really what this is, but I think this is something the girl set up to keep the amount of checks that come in on check-offs, from each company. Let's take one here we know. Here, we will take this one. I imagine this is where, like if you owned a music company, and she mailed out the ducs for the check-off to the man, she mailed them to the company, well, I imagine this is her book to glance through, to see if the check-off is paid up. This is her own book. I imagine that is what it is for. It is merely to keep her posted on the ones that are delinquent and the ones paid up to date.

Q. What girl keeps that book?—A. I believe Miss Rawlings started it, and Miss Bell continued to work with it. The fact of the matter, I know very little about the books. I never made a bank deposit and I never wrote an entry in the books. I have an auditor and a bookkeeper that does it. I know very little about the books.

Q. Coming back to this Hoffa and Brennan situation. You say they are in no way on the payroll of the local at the present time?—A. No, sir; they were not.

Q. Have they borrowed any money from you?—A. Brennan or Hoffa?

Q. Yes.—A. No.

Q. Or their wives?—A. No.

Q. Has the local backed them for any money?—A. No, sir.

Q. Are you sure your full salary you get from the local is retained by you?—A. Sir?

Q. Your salary is retained by you?—A. Oh, yes, that's my money.

Q. You don't split it up any way?—A. No, I don't split nothing up. That's my money.

Q. Does Presser come up here occasionally?—A. Yes, he comes occasionally.

Q. For what purpose?—A. Well, I don't know.



THE COURT. How do you account for the fact that Hoffa and Brennan got \$100 a week from their respective unions and you get \$280 a week from one or more unions, and you get hard up financially, and you have to borrow from these fellows, and they have at least several thousand dollars on hand they can give you?

THE WITNESS. I don't know why that is, Judge. They always have it. For years I know I have always got a little money.

THE COURT. I understand they loaned you this money from their personal funds?

THE WITNESS. Yes.

THE COURT. The transaction was cash?

THE WITNESS. Yes.

THE COURT. The officers are out now trying to find your books on that point.

THE WITNESS. Sir?

THE COURT. The officers are out now trying to find your books?

THE WITNESS. What ever the books are, that's what it is, Judge.

THE COURT. You entered it in the books?

THE WITNESS. No, I don't keep the books.

THE COURT. You had it entered?

THE WITNESS. I told the girl to put these men on the payroll.

MR. GARBER. They got about \$2,000 interest on their money.

THE WITNESS. Sir?

MR. GARBER. They got \$3,000 apiece back, and that made about \$2,000 more than the deal.

THE WITNESS. Yes, roughly, I could say yes, but I wouldn't figure that money was wasted.

MR. GARBER. I don't argue that. Whether it was wasted or not, they did get back considerable more than they paid.

THE WITNESS. Yes, that's right.

MR. GARBER. Do you recall when you borrowed this \$2,000, \$1,000 from Hoffa and \$1,000 from Brennan?

THE WITNESS. That was in 1944, the latter part of 1944.

MR. GARBER. You said you had pretty well exhausted your funds in promoting or trying to get the charter?

THE WITNESS. Yes.

MR. GARBER. You thought if you got the charter it would be a good deal?

THE WITNESS. Yes.

MR. GARBER. You thought it was a good deal, and you were willing to spend some money on it?

THE WITNESS. Yes.

MR. GARBER. You pretty well exhausted your funds at that time, so you went to Hoffa and Brennan to get a little money?

THE WITNESS. Yes.

MR. GARBER. When did you buy this \$2,000 worth of stock in the Frankfort Broadcasting Company?

THE WITNESS. I have had that quite a while.

MR. GARBER. Well, approximately?

THE WITNESS. Oh, I have had it—

MR. GARBER. Buy it in 1944?

THE WITNESS. Yes, I think it was.

MR. GARBER. You are sure you didn't buy it sometime the early part of '45?

THE WITNESS. No.

MR. GARBER. You still have it?

THE WITNESS. Yes, I have got it.

MR. GARBER. Still have it?

THE WITNESS. Yes.

MR. GARBER. In whose name is it?

THE WITNESS. Mine.

MR. GARBER. Yours alone or you and your wife?

THE WITNESS. I think it is jointly. I am not sure on that point.

MR. GARBER. Well, nobody is holding you right to it.

THE WITNESS. All right.

MR. WATSON. While we are waiting for these records, Mr. James, you say after you first came to Detroit you started to work in various motor plants?

THE WITNESS. No, I never worked in a motor plant.

MR. WATSON. Where did you work?

The WITNESS. United States Tire and Rubber Company, I worked for R. C. Mahone, and I worked all over town. The last place I worked was the United States Tire and Rubber.

Mr. WATSON. How much were you earning in your last job with the United States Tire and Rubber?

The WITNESS. Oh, roughly, \$1.40 an hour, \$1.45.

Mr. WATSON. About how much a week?

The WITNESS. Around 70 or 75 a week.

Mr. WATSON. After you left the United States Tire and Rubber, where did you go?

The WITNESS. I have been in business for myself.

Mr. WATSON. What business?

The WITNESS. I run a pool room.

Mr. WATSON. Whereabouts?

The WITNESS. Near Concord and Jefferson.

Mr. WATSON. On Jefferson?

The WITNESS. Yes.

Mr. WATSON. What was the name of the pool room?

The WITNESS. Jefferson Sportland.

Mr. WATSON. You owned that?

The WITNESS. Yes, sir.

Mr. WATSON. You leased the place?

The WITNESS. Yes.

Mr. WATSON. What years did you have the Jefferson Sportland?

The WITNESS. Well, I got out of that about the time I went into the labor movement. That was back about six or seven years ago.

Mr. WATSON. About 1939 or '38?

The WITNESS. '39 or '40, somewhere around there.

Mr. WATSON. How much were you earning in the operation of the pool room?

The WITNESS. I didn't earn a damned thing. I lost a lot of money, not a lot, but I lost some.

Mr. WATSON. What was your first job in labor?

The WITNESS. Organizer for the laundry workers.

Mr. WATSON. That is the International?

The WITNESS. Yes.

Mr. WATSON. Were you affiliated with a local to start with?

The WITNESS. Sir?

Mr. WATSON. Were you affiliated with a local when you started, or did you go right to work for the International?

The WITNESS. No; I went to work for the local.

Mr. WATSON. What local was that?

The WITNESS. 129.

Mr. WATSON. Who is president of it?

The WITNESS. I am.

Mr. WATSON. Who was the president when you went to work for it?

The WITNESS. Jesus, I don't know.

Mr. WATSON. You were an organizer?

The WITNESS. Yes.

Mr. WATSON. What were your assignments, what places did you have?

The WITNESS. I had the whole state of Michigan, particularly Detroit.

Mr. WATSON. Did they have other business agents and organizers?

The WITNESS. They had one.

Mr. WATSON. One other?

The WITNESS. Him and I started.

Mr. WATSON. Who was he?

The WITNESS. A fellow by the name of Paris, John Paris.

Mr. WATSON. Where is he today?

The WITNESS. He is still in the local, secretary and treasurer.

Mr. WATSON. What was your income as an organizer for that local?

The WITNESS. Well, there wasn't no money there. There wasn't very much. There wasn't very much, but I spent my own money working with it.

Mr. WATSON. What was your salary supposed to be?

The WITNESS. When this started?

Mr. WATSON. Yes.

The WITNESS. It was very small. I don't remember what, thirty or forty dollars a week. When we collected dues, if there was enough for payday, we got paid.

Mr. WATSON. How long did you continue in that capacity as organizer?

The WITNESS. Until we got Detroit 100%.

Mr. WATSON. When was that?

The WITNESS. Oh, we had it fairly well organized for the last three years. It took us about two and a half years to get it completed.

Mr. WATSON. After you got Detroit 100% organized, what was your salary?

The WITNESS. I was drawing roughly \$175 a week, roughly, I say, I don't know whether that is exactly right or not.

Mr. WATSON. What was Paris drawing?

The WITNESS. The same amount.

Mr. WATSON. By that time were you an officer in the International?

The WITNESS. Well, I run for office in that period of time somewhere in there, yes.

Mr. WATSON. Were you elected?

The WITNESS. Yes.

Mr. WATSON. You were then one of the vice-presidents?

The WITNESS. Yes.

Mr. WATSON. You have moved up now to seventh vice-president?

The WITNESS. Yes.

Mr. WATSON. What vice-president were you to start?

The WITNESS. The first job I ever held with the International was vice-president. That's the only one I ever run for.

Mr. WATSON. If you are seventh now, were you always seventh?

The WITNESS. Yes; I never run but once, and I have been that ever since.

Mr. WATSON. So that brings us up to about 1943, shall we say?

The WITNESS. '44, I guess.

Mr. WATSON. When you first branched out now from that toward some additional work, was it in connection with this music box business?

The WITNESS. That's right.

Mr. WATSON. You got interested in that?

The WITNESS. I was an International representative for a long time, and I was still president of that local and I drew a salary from this local before I was ever elected an officer of the International, I drew money from them, and I took care of several towns in Canada, the state of Michigan, part of southern Indiana and Kentucky.

Mr. WATSON. How much were you drawing from the International?

The WITNESS. I don't draw any particular amount. I had expenses along for traveling and \$50 a week plus what I made in this place here, and plus my expenses and salary.

Mr. WATSON. How did you first hear about the proposed organization or reorganization of the recording phonograph operators?

The WITNESS. Well, that's a long story. They have had several different organizations in Detroit.

Mr. WATSON. Yes.

The WITNESS. And all of the organizations they have ever had here have been a little different from mine, and there were certain people in the labor movement, like Frank Martel, George Media, and other people that had issued charters from time to time, for coin machines, and it had always fell into the wrong hands, and it didn't suit them just exactly, so they run up bills, big bills, failed to pay per capita tax, failed to pay some bills like phone bills, rent, and other things that weren't straightened out, and we had a meeting one day, and I was asked if I would like to see what could be done with it.

Mr. WATSON. Who had that meeting?

The WITNESS. I think, if I remember right, me and Frank Martel talked about it, and Frank said, "Jimmy, why don't you see what can be done in that field, and if you can do anything with it, do it," so I asked permission of my International office, and asked permission of my local union if it would be all right if I put part of my time to seeing what could be done with it.

Mr. WATSON. That was when, about the middle of '44?

The WITNESS. '44, that was, but it was quite some time before we got into action. They told me if I wanted to take it, clean it up, they would be glad to help me.

Mr. WATSON. At that time there was one outstanding charter, wasn't there, an A. F. of L.?

The WITNESS. Yes, but I wouldn't accept that charter and that charter was pulled.

Mr. WATSON. Did they ask you to consider picking up that charter?

The WITNESS. No; I told them to start with, the only way I would start was, issue me a new charter.

Mr. WATSON. You discussed that with Mr. Martel and Bill Green?

The WITNESS. Well, not personally with Bill Green, you know, over the phone. I didn't talk to him personally.

Mr. WATSON. A new, fresh charter was issued and you started out. Who did you go to see first about getting these boys together?

The WITNESS. I went to see a group of men of Marquette and Frank Alluvot in Central Service, and I had numerous other cards left from an old local union, and at that time I run those cards, sent out letters, telephone calls, and had meetings, and eventually got it worked up so I had some members, but that is what I had to go on.

Mr. WATSON. When you first set it up, what was your proposed set-up for dues of individual members?

The WITNESS. I told the members I didn't know what dues would be until we see what could be done in the field, and they said to go to work and see if you could organize it, and then we will sit down and see if we can figure out what we need, so at that meeting they decided they would leave that to my discretion, and so we decided we would work it on \$7.50 and \$15, if I remember right, or equivalent to 40 cents a box, might be 40 or 50, and if after operating for some time we found there wasn't enough revenue there, it couldn't be done, we had to have men to work in the field, it wasn't completely organized, it was a big field, not only music, but you have a helluva big union, so we found out, after getting into it, there wasn't enough revenue, and we raised the dues. I talked to every man in it.

Mr. WATSON. You mean operators?

The WITNESS. Yes.

Mr. WATSON. The United?

The WITNESS. Yes; I tried to contact the old association and they told me the old association was out of business, but they was going to have a new association, and after I told them the story, they agreed, and we sat down and talked the thing over, and if I remember right, some of the fellows, I talked to, I I don't think are in the business any more, and after the association was formed, I signed a blanket agreement covering the industry on a closed-shop agreement, and from that day on, we went on functioning as a union.

Mr. WATSON. When you signed the blanket agreement that was after these people got organized, after they had an association. They had the old United?

The WITNESS. I don't remember what it was, and I contacted that time and time again, but I could never do any business with them. There was always some element in there trying to do different things, and I never could make any progress, and they finally decided they were going to reorganize, and when they did at that time, I had membership cards on at least 75 or 100 people before the association was ever put into action, and at that time we went to work and drew up the agreement. My members are handy with that and everybody connected with it. It is clean all the way through.

Mr. WATSON. Now, what is this broadcasting company you spoke of?

The WITNESS. It is just a radio station. A young fellow wanted to start into that, and I bought some stock in it from a friend of mine.

Mr. WATSON. Where is this, in Frankfort, Kentucky?

The WITNESS. Yes.

Mr. WATSON. What station is it?

The WITNESS. WFKY. It's just a little darned thing.

Mr. WATSON. The name of the corporation is what?

The WITNESS. Frankfort Broadcasting Company.

Mr. WATSON. They operate only the one station?

The WITNESS. That's right.

Mr. WATSON. Do you know anybody else interested in it besides the person who organized it and whom you mentioned earlier?

The WITNESS. Well, I know people that bought stock in it, but they didn't promote it.

Mr. WATSON. As a matter of fact, ownership of stock in radio and broadcasting companies is all subject to the approval of the Federal Communications Commission, is that right?

The WITNESS. Yes; to the best of my knowledge.

Mr. WATSON. So that you have to be approved as a prospective stockholder by the Federal Communications Commission?

The WITNESS. Let me ask you a question. Can I ask you a question?

Mr. WATSON. Normally, we do the questioning, but go ahead.

The WITNESS. I would like to ask you one question.

Mr. WATSON. Yes.

The WITNESS. I would like to ask you what possible connections does the Frankfort Broadcasting Company have with what you have me in here for?

Mr. WATSON. That is to be determined.

The WITNESS. I am just a stockholder in it, and that's all. I told you I am a stockholder, I had some stock, and I will show you the stock, but why has that got any bearing on this?

Mr. WATSON. Well, we will see if we can develop that. At the time you bought the stock was it shortly after you got started out with the working of this new organization?

The WITNESS. It was sometime around that.

Mr. WATSON. Well, when was it with respect to the time you had to borrow the money from Mr. Hoffa and Mr. Brennan, in order to keep your endeavors rolling?

The WITNESS. It was along the early part or latter part of 1944, somewhere in there. It was in the fall of the year.

Mr. WATSON. The last of '44 or early '45, you mean?

The WITNESS. No; it wasn't in '45, it was in '44. I don't know the month when, but it was somewhere in the fall of '44.

Mr. WATSON. Now, from whom did you receive transfer of the stock you acquired in the Frankfort Broadcasting?

The WITNESS. It was duly organized as a company, and the stock was issued from the president of the company.

Q. The president was whom?—A. C. H. Fleming.

Q. Is Mr. Fleming associated with the labor movement?—A. No.

Mr. WATSON. Never has been?

The WITNESS. No.

Mr. WATSON. He is a man you had known from the time you lived in Kentucky?

The WITNESS. He's a nice fellow, never in the labor movement in his life.

Mr. WATSON. Is Presser interested in the company?

The WITNESS. What company? The broadcasting company?

Mr. WATSON. Yes.

The WITNESS. No, no.

Mr. WATSON. Dixon?

The WITNESS. No.

Mr. WATSON. None of them?

The WITNESS. No; none of those people have anything to do with it.

Mr. WATSON. At the time you acquired stock that was just about the same time you were borrowing the money to carry on your operations here?

The WITNESS. So what if I did. Anything you want, I will say it.

Mr. WATSON. I don't want you to say anything but the truth.

The WITNESS. I told you the truth. I told you it was some time around that time I borrowed the money.

Mr. WATSON. Just about the time you were borrowing the money you still had money to invest in a broadcasting company.

The WITNESS. What if I did, I did. If you want them to put words in my mouth, I will answer them.

Mr. WATSON. I am not trying to put words in your mouth, all I want is the truth.

The WITNESS. All I know is what I can answer to the best of my knowledge, and I will tell you anything I know, but I am not going to be pinned down to dates that I don't remember. I will bring in the stock or anything you want.

Mr. WATSON. Fine.

The WITNESS. Now, what more do you want?

Mr. WATSON. We have a perfect understanding?

The WITNESS. Yes.

Mr. WATSON. Have you received any dividends from this stock?

The WITNESS. No; I have not.

The COURT. As I figure out, your income, you get \$225 from the union, the music union?

The WITNESS. Yes.

The COURT. \$50 from another union, and \$5 from another, plus \$75 expenses.

The WITNESS. Yes.

The COURT. So that is \$285 a month, exclusive of expenses, \$285 a week, making a total of \$13,680, plus \$900 for expenses, or a total of \$14,580 a year as a union agent.

The WITNESS. That's right.

The COURT. What?

The WITNESS. That's right.

The COURT. Is \$75 a week expenses you get?

The WITNESS. That's right.

The COURT. In other words, you are allowed \$13,680 compensation and \$3,600 a year expenses, or a total of \$17,280. You are making more money than any public official in the state of Michigan.

The WITNESS. Is that a crime, Judge?

The COURT. No, not a crime; and what these fellows are trying to find out from you is this: Are you, as a union agent, such a financial wizard that you can borrow money, put through transactions, borrow money from the man on the other side of the board, pay them back, nothing in writing, and they conclude that it doesn't look just right.

The WITNESS. Judge, I will explain anything you want to know about it.

The COURT. Well, I tell you we do know that you have interests in these two corporations, and that men that are associated with you have so testified. I know that. Now, how much do you owe Victor—what's his name?

The WITNESS. DeSchryver?

The COURT. DeSchryver. How much do you owe him at the present time, roughly?

The WITNESS. \$2,000.

The COURT. How much?

The WITNESS. \$2,000.

The COURT. Is there anything in writing to show that?

The WITNESS. I believe Vic got a note from me, Judge.

The COURT. For how much money?

The WITNESS. I think for \$5,000 and if I remember right, I give him back \$3,000, and that may not be—

The COURT. When did you pay him the \$3,000, and did you pay that in a lump sum?

The WITNESS. Yes, sir, I did.

The COURT. It would be very convincing, Mr. James, if we had your books and records, your bank deposits, your cancelled checks, to show how each one of these transactions were carried out. In the absence of that, we have to take your word for it, or the word of somebody else, word of mouth, you see.

The WITNESS. Yes.

The COURT. You may not know it, but if we get the checks here—if we have the facts here right, we find that Hoffa gets \$5,200 a year.

The WITNESS. From what, Judge?

The COURT. As a salary. He gets \$100 a week from Local 299.

The WITNESS. I don't know anything about that.

The COURT. And he is not paid anything else except an isolated five or ten dollars for sitting in at some other Joint Council or International Council meetings. If that is true, then you are getting—if that's true you are getting, with your expenses, more than three times as much as Hoffa is getting as an income. Now, if that's true, then I think you will have to admit when you get to be an organizer of this particular music local, that you really struck pay dirt.

The WITNESS. I did.

The COURT. You really struck pay dirt. That was the gold mine you were seeking. She has been a rip-snorter for you.

The WITNESS. I would have to admit that.

The COURT. I say, it is a rip-snorter.

The WITNESS. I would have to admit that, Judge. You didn't stop to think, though, Judge, the time I worked for twenty-five or thirty-five a week.

The COURT. Thirty-five a week?

The WITNESS. Yes; working as an organizer.

The COURT. How old were you?

The WITNESS. I say, you don't remember—

The COURT. I say, how old were you?

The WITNESS. It has only been a few years ago.

The COURT. This is off the record.

(Discussion off the record.)

(Witness excused.)

JOSEPH BRILLIANT, having been previously duly sworn, resumed the stand, was examined and testified as follows:

Mr. MOLL. This is Mr. Joseph Brilliant.

Examination by Mr. MOLL:

Q. You say the question of the raise in dues of the operator members of the association shortly after the organization of the association, was never discussed with you?—A. The raise in dues was discussed with me, sir. I didn't say it wasn't. That was discussed with me, in fact, after it was discussed with me, it came up in front of the meeting and told it to the entire body and the boys voted on it.

Q. What reason was assigned for the raise in dues?—A. Because he said he couldn't sustain his people.

Q. What people?—A. His working men, I surmised as such. I think he has three men on the payroll.

Q. Do you know what salary James was getting himself?—A. He never told me that, but I understand it was around two hundred bucks a week.

Q. Other agents were getting paid. They were kicking in more money than they were spending. Why did you suspect the dues were being raised?—A. Suspect it?

Q. I say, why did you suspect they were being raised?—A. He told me he couldn't function and manage on that.

Q. Did you ever ask to look at the union books?—A. No, sir.

Q. Did you know that from the very beginning of this local their income was more than their disbursements?—A. I always thought that, but he was always hollering he didn't have enough.

Q. Let's go back for a minute to this \$5,000 fund that was raised and turned over to DeSchryster. I want you to tell the Court what you were told in connection with that fund.—A. Repeat that.

Q. What you were told when you made your contribution of \$650 to that \$5,000 fund.

A. I was under the impression it was going to Presser. I never saw it passed to Presser, and that's all I can tell you, and that's the truth.

Q. All right. I don't dispute that. Now, why were you impressed that Presser was to have this money?

A. Well, because of the conversation, because he said he had fixed it up and he had shown us the books and bylaws, and how to set our association up after theirs that had been running successfully so long, and for that he wanted \$5,000.

Q. He was going to show you how to integrate the association with the union?—A. No; that was never discussed.

Q. You knew as an association you couldn't get along without cooperating with the union?—A. That's right, we can get along very well with the union.

Q. You knew you would have to have some cooperation with the union that was attempting to unionize your business?—A. We wanted a union that was favorable, not like it was before, or we didn't want any union.

Q. If you had to have a union, you wanted a union that would be favorable to your aims?—A. We wanted a union that wouldn't be kicking us around every day.

Q. That's how this matter was arranged, wasn't it?—A. It wasn't arranged through me.

Q. No; but you were in on the discussion. We are not trying to put the blame on you for this.—A. It seems like you are.

Q. No; you have the wrong slant.—A. He walked in, and I was contemplating a twenty-five or thirty thousand dollar deal, so he walked in, and I said I could use some cash money, and I said, "could you spare me a couple or three thousand dollars," and he said, "I could give you thirty-five hundred dollars." That's the worst thing I ever done. I give it back to him two or three weeks later, and the next time he gets in a tough spot he asked me for two or three thousand dollars, and I couldn't refuse him, and now I am involved in it.

The COURT. What made you think he had that money?

The WITNESS. I just said it in a laughing manner. I didn't think he had that money. I didn't have no intentions of borrowing it from him.

By Mr. MOLL:

Q. Well, that's how you got more or less involved, was it?—A. Yes.

Q. With a guy you probably should have dealt with at arm's length.—A. Yes; if I saw he was doing anything funny—

Q. I can see your proposition. You fellows wanted to organize an association that would permit you to do business?—A. Yes.

Q. And have a little freedom to do business in your own way.—A. That's correct. Here is what our main purpose was. You don't mind me telling you?

Q. No; that's what I want you to do.—A. There are dozens and dozens of big fellows and little fellows. We have 162 members and out of that I could name you offhand 10 or 15 fellows bought from 15 to 20 pieces and paid from 10 to 15 thousand dollars for these little routes. If everybody were to dog eat dog, everyone would lose, and they couldn't do anything. The fellows that bought their routes, what are they doing? They are turning around buying new equipment, that is the one that sold and pulling these kids right out of business, jumping their locations. They got good money for them, and they are turning around jumping the same locations with brand-new machines.

Q. Now, the only protection you could have for that, as I see it, from your point of view, is organize an association?—A. Yes.

Q. Try to control your members and at the same time enter into a contract with the union that would, to a certain extent help you police your own association?—A. Yes, when you have 162 or 150 men in the association, they cooperate, you have that many less fellows fighting you, so the few fellows that do fight you aren't too bad, and you can't get hurt.

Q. That's right, now you fellows went to Cleveland?—A. Yes.

Q. I take it, to see how that Cleveland situation worked out you had heard about?—A. Yes.

Q. You get down there and you find an association similar to the one you later organized?—A. Yes.

Q. And you find a union?—A. Yes.

Q. And you find considerable cooperation between the union and those people of the association?—A. That's right.

Q. And they explain the workings of the thing?—A. That's right.

Q. Now, the next thing happens Presser comes up with a proposition, doesn't he?—A. Well, I don't know if Presser comes up with a proposition or how it comes about, but we did discuss the thing, and we wanted somebody to set it up for us, and he said he would.

Q. He was going to come to Detroit and show you how to work the thing out from an association, and probably from a union standpoint, and he was going to charge you \$5,000 for doing it, is that right?—A. Yes, that was talked about.

Q. Now, is there anything wrong with that, if you want to hire the guy?—A. It is nobody's business if we do.

Q. That's right.—A. That's what I am trying to tell you.

Q. He put the squeeze on you to a certain extent.—A. Who?

Q. Presser.—A. He didn't put any squeeze to us. We could have said "yes" or "no".

Q. But you wanted to do business in Detroit?—A. Yes.

Q. You knew the union was powerful?—A. Yes.

Q. You knew it probably slopped over into Ohio, didn't you?—A. I didn't know that. When you ask them guys questions, they aren't giving you any answers, "you believe me, you just believe me." I don't know how many union men you know, but the few I have known, never give me any satisfactory answers and I never ask them any questions.

Q. That's right. Your experience has been about the same as mine.—A. If I had any sense I would have never talked to any of them.

Q. That's right, you are probably correct.—A. Yes.

Q. But in any event, whatever Presser did for you, you know your fellows ultimately paid him \$5,000 so far as you know, right?—A. So far as I know.

Q. And the money was raised by contributions, turned over to DeSchryver and what he did with it you don't know?—A. That's right.

Q. We can look to DeSchryver. You have never heard DeSchryver accused of converting any of that money to his own use, have you?—A. No.

Q. Nobody in the association seems to feel, or any of the contributors seem to feel DeSchryver double-crossed them.—A. I don't think so.

Q. So it is a fair assumption the \$5,000 raised to go to Presser, went to Presser.—A. If he said it did, it did.

Q. Okay. Now, we are at the point where we have our association and we have our union. Now, the first thing about the union dues are fixed at a base of about 40 cents per unit or machine.—A. Something like that.

Q. And within a couple of months up it went, is that right?—A. Yes.

Q. And that extra money came right out of the pocket of the operators, didn't it?—A. (No response).



Q. You will have to speak your answer.—A. Yes.

Q. That was raised by giving the men a raise, so they could compensate for that.—A. Undoubtedly it came out of the operators' pockets.

Q. Did the operators resent that?—A. No.

Q. Why not?—A. Because they have had so much union trouble.

Q. You didn't resent it or resist it, because you knew you couldn't do so successfully, is that it?—A. We didn't resist because we had had so much union difficulties and if nobody else barged in, they would be tickled to death about the darned thing, and rather than start trouble, they paid it, and kept quiet.

Q. Were there any threats made to the operators?—A. Not to my knowledge.

Q. By anybody in the union?—A. Not to my knowledge.

Q. However, you felt you were forced to pay this additional 30 cents or 20 cents a unit?—A. I knew he explained it couldn't function and we believed him, no threats made.

Q. Did any of the operators ask to examine his books?—A. No.

Q. You weren't shown the books?—A. No, if he did I don't remember seeing them.

Q. It might come as a surprise to you to know that the union was on a profitable basis right from the beginning.—A. That's right.

Q. Now, I have shown you the union books, haven't I?—A. Yes.

Q. Which indicate that Mrs. Hoffa and Mrs. Brennan were carried on the payroll of that union for some time, and that they went on the payroll at about the time the dues were raised. That was around in March or April of 1945; right?—A. Yes; if he said so.

Q. Well, that's about when the dues were raised, isn't it?—A. I couldn't say offhand.

Q. Well, within several months of the organization of the association, wasn't it?—A. Yes; I would say about four or five months, six months, around that period.

Q. All right; so much for that. Now, was it ever suggested to the operators, for instance, by James, that you give him a substantial Christmas present last year?—A. That was talked about among the operators themselves. He never mentioned anything about that because he had been doing a nice job, and all of us were tickled to death we weren't having any labor trouble.

Q. You thought it was a smart thing to do, or a good politic thing to do to make a substantial Christmas present?—A. Yes; make everybody happy.

Q. And I suppose the same thing is true when he asked to borrow money from you?—A. No; like I told you, I felt I owed him a favor. He did me—he loaned me money and I couldn't very well refuse him.

Q. Well, now, there is a couple of questions more I want to ask you. At the time the dues were raised to the association members, did not James tell you at that time that it was necessary to raise the dues to take care of some of the higher ups in union circles?—A. No, sir; he did not.

Q. And named Hoffa and Brennan?—A. No, sir; if he would have named Hoffa and Brennan, I would tell you so.

Q. Did he name any names that had to be taken care of?—A. No, sir; he never named any names. He never told me he had to take care of anybody.

Q. Now, did James ever demand money from you with the exception of these personal loans you spoke about?—A. No; James has been very friendly. He has never made any demands on me. When he did ask me, he asked me for a loan.

Q. On this \$2,000, did you hand James \$2,000 in connection with this CIO threat?—A. No, sir; I didn't.

Q. Weren't you later reimbursed for that advance to him?—A. No; I wasn't reimbursed. I took that money.

Q. And what was your purpose in taking the money?—A. My purpose in taking the money, because I was peeved.

Q. What about?—A. Well, a lot of things. I was spending my time, money, and everything else, and I was entitled not to spend my own money, so I asked them for the money and got it.

Q. Who was the cosigner on that check?—A. I was.

Q. Who else signed the check?—A. Vic.

Q. What did you represent to Vic in connection with that check?—A. I told him I wanted it.

Q. Didn't you tell Vic it was necessary to reimburse yourself for the \$2,000 you had advanced to James?—A. No; I didn't tell Vic that either.

Q. What did you tell Vic?—A. I told him I wanted \$2,000; I felt I had it coming to me.

Q. Because of an advance you had made to James?—A. No; I didn't make any advance to James.

Q. Have you got notes for all the money you loaned to James?—A. If he owes me any money, I have a note for it. I don't know if I have or not, to be honest with you. I won't say for sure. I know a couple of times I loaned him and never took a piece of paper from him.

Q. How many times did you loan him money?—A. Two or three.

Q. A thousand or more each time?—A. That's right.

Mr. MOLL. Any more questions, gentlemen?

Mr. WATSON. Yes. Do you recall if we touched on the matter of the Marston Distributing Company? Did we mention that in previous testimony?

The WITNESS. Yes.

Mr. WATSON. What was your position with respect to whether or not you had been engaged in the formation of any corporate enterprise, in which Mr. James had a part?

The WITNESS. We were talking about—I wasn't talking with Mr. James but I was talking with Mr. Marston about it. It never come off.

Mr. WATSON. Never did come off?

The WITNESS. Not with me.

Mr. WATSON. It is the Marston Distributing Company?

The WITNESS. Yes.

Mr. WATSON. And originally you were set up to have a 20% interest in it, weren't you?

The WITNESS. I don't think it was that much, was it?

Mr. WATSON. I believe that was the amount.

The WITNESS. Well, 15% or something like that.

Mr. WATSON. And you had an interest in the Marquette Distributing Company, didn't you?

The WITNESS. I didn't have no interest with Vic.

Mr. WATSON. The Marquette Distributing Company?

The WITNESS. No.

Mr. WATSON. Those two, Marston and Marquette.

The WITNESS. There were two; yes.

Mr. WATSON. And is it not true that you traded with DeSchryver, his interest in Marston for your interest in Marquette?

The WITNESS. My interest in Marston?

Mr. WATSON. Yes.

The WITNESS. We are talking about the whole thing. I dropped the whole doggone thing.

Mr. WATSON. You dropped the whole thing?

The WITNESS. Yes; because my factory wouldn't stand for me buying an interest or being interested in any other distributors.

Mr. WATSON. Didn't you sell an interest in that thing for \$7,000?

The WITNESS. To who?

Mr. WATSON. I think the question is fairly clear. Did you have an interest in one or both of these organizations that you sold for \$7,000?

The WITNESS. I don't know.

Mr. WATSON. Well, I don't know who would know, if you don't, so will you please answer the question.

The WITNESS. There was talk about it. I didn't take an interest in it.

Mr. WATSON. Did you receive any sum of money for the sale of an interest or a partial interest you had, or might have had?

The WITNESS. No; I didn't.

Mr. WATSON. There was no deal whereby you sold any interest whatsoever to Mr. James or to any other corporation?

The WITNESS. No.

Mr. WATSON. So you want us to understand that right from the start you never had an interest in either Marquette Distributing—

The WITNESS. I was supposed to have an interest.

Mr. WATSON. All right, you were supposed to have an interest in which one—Marquette?

The WITNESS. Yes.

Mr. WATSON. That interest was supposed to be what percentage?

The WITNESS. I think it was 15%.

Mr. WATSON. How much, sir?

The WITNESS. 15 or 20, I don't remember.

Mr. WATSON. Could it have been originally 25%, you think?

The WITNESS. 25 or 20.

Mr. WATSON. All right. All right, then, you are supposed to have a 25% interest, and Mr. James was supposed to have a 25% interest; was he not?

The WITNESS. Well—

Mr. WATSON. Pardon me, sir.

The WITNESS. I don't know why I am sticking my neck out. All right, I will tell you the whole story.

Mr. WATSON. All right.

The WITNESS. I was supposed to have 20 or 25%, and it was changed, and I was supposed to have 20% of Marston, and I didn't have anything of that, of Vic or Marquette.

Mr. WATSON. Yes.

The WITNESS. Then it was turned around, and after I got that Marston I sold the darn thing out and didn't want no part of it.

Mr. WATSON. Sold it out for how much money; was it \$7,000?

The WITNESS. It might have been.

Mr. WATSON. Well, that figure is pretty close; isn't it?

The WITNESS. It might be seven.

Mr. WATSON. Who did you sell it to?

The WITNESS. I sold it to Jimmy James.

Mr. WATSON. About when, sir?

The WITNESS. Oh, I don't really know the date.

Mr. WATSON. Let's come as close as you can.

The WITNESS. I don't know the date of it.

Mr. WATSON. Was it this year?

The WITNESS. Yes.

Mr. WATSON. The early part of the year?

The WITNESS. I believe it was.

Mr. WATSON. Why did he pay you in cash—did he pay you in cash or by check?

The WITNESS. He paid me, I think, by cash—check, and some by cash.

Mr. WATSON. Do you remember what bank the check was drawn on?

The WITNESS. No.

Mr. WATSON. Do you remember whether it was his own personal check?

The WITNESS. No, I don't.

Mr. WATSON. At that time that the sale went through, did you have a stock certificate or any evidence of ownership?

The WITNESS. No.

Mr. WATSON. Was there any agreement reduced to writing in connection with the sale?

The WITNESS. No.

Mr. WATSON. How was the sale handled, just informally?

The WITNESS. Yes.

Mr. WATSON. So that after that sale, Mr. James came up with whatever interest you had previously had in Marston?

The WITNESS. That's right.

Mr. WATSON. Was there any talk as to whether the interest would be held in Mr. James' name or in his wife's name?

The WITNESS. I didn't discuss it with him. I don't know whether he kept it in his name or his wife's.

The COURT. Who did he discuss it with?

The WITNESS. I don't know. I had nothing to do with the stock.

The COURT. Who handled it?

The WITNESS. I don't know.

Mr. WATSON. Did you have a lawyer in the transaction?

The WITNESS. No.

Mr. WATSON. Just a proposition of he came to you and asked you if your interest was for sale, and how much you wanted for it?

The WITNESS. Yes.

Mr. WATSON. And you quoted him around \$7,000?

The WITNESS. Yes.

Mr. WATSON. And he brought you the money, part in cash and part by check?

The WITNESS. Yes.

Mr. WATSON. And after you received the money, you disclaimed any interest in it or—and whatever interest you had in it was informally, you understood, without any written evidence, that interest was acquired by James?

The WITNESS. Yes.

The COURT. What evidence of ownership; what paper, stock, contract?

The WITNESS. I didn't have any stock.

The COURT. What interest were you transferring to James?

The WITNESS. The 20 or 25 percent I had.

The COURT. What evidence did you have?

The WITNESS. None. It was in the form of forming; in the process.

Mr. MOLL. Any letters passed between you?

The WITNESS. No.

Mr. MOLL. No stock certificate transferred?

The WITNESS. No.

The COURT. You understand you made application for so much stock in a newly formed corporation?

The WITNESS. Yes.

The COURT. And before the stock was issued to you, but after you paid for it, you sold your interest to Jimmy James?

The WITNESS. Yes.

The COURT. And I understand he paid you \$7,000, part in checks, and in cash, and instead of the stock being issued to you, it was issued to him, or to his wife, or somebody?

The WITNESS. Yes.

The COURT. You never got it?

The WITNESS. That's right; I never saw it.

The COURT. On this application for stock you had already paid somebody for it. (No response.)

Mr. MOLL. Was this \$3,500 you claim originally he borrowed from you part of the consideration paid to you?

The WITNESS. No.

Mr. MOLL. That was a separate and distinct deal?

The WITNESS. Yes; that was either prior to that—that was about a year prior or nine months.

Mr. TRAVIS. Mr. Brilliant, now that you have been frank with us about it, what was there about it you wanted to conceal?

The WITNESS. I didn't feel there was anything wrong done in it. There was no union affair in it. It was strictly a private deal, and that's the honest-to-God reason for it.

The COURT. Don't you understand if you are on one side of the board on a deal, as an operator, and Jimmy James is the agent for the union, that a great deal of light can be thrown on the union activities, both of you, by looking in at the union activities, by looking at one side to find out some personal transactions that you are having? I wouldn't expect to see a businessman bringing in a union agent and going to bed with him.

The WITNESS. That's right.

The COURT. And have champagne cocktails; and as soon as I did see it, I would be suspicious of it, and when I see that thing followed up on money deals, I say, "Just what is this racket?" and when I see a cash transaction, I am more suspicious.

The WITNESS. I see what you mean.

The COURT. And when I see a fellow like James absolutely perjure himself, then I am again more suspicious and I would say to myself, "Mister, you are headed for the hoosegow, because you took an oath here to tell the truth, the whole truth, and nothing but the truth."

The WITNESS. Well, I figured it was a deal, and you know what I mean.

The COURT. Now, tell us about that \$2,000.

The WITNESS. I didn't give him anything.

Mr. TRAVIS. Why would anybody else in the association say you did, unless you had talked about it?

The WITNESS. If they talked about it, and it was questionable, I didn't give it to him.

Mr. TRAVIS. We are talking to you.

The WITNESS. Talking to me? Do you want me to say I give it to him?

Mr. TRAVIS. They said this was the repayment of money you gave him to fight off this CIO union.

The WITNESS. If he bought off anything, he paid it himself.

Mr. TRAVIS. What was there in your conversation?

The WITNESS. There was a conversation about him fighting them off, but I didn't pay him any money.

Mr. TRAVIS. What would you say that would lead anybody else to think you said that?

The WITNESS. I don't know what I said.

By Mr. MOLL:

Q. Now, I tell you, you want my impression of that, Mr. Brilliant?—A. Yes. What?

Q. I think you have come entirely clean with us, and I am perfectly satisfied with all of the aspects of your testimony.—A. Thank you, sir.

Q. Except with reference to that \$2,000. Now, on that, I don't think there is any difference—the situation is any different than it is on any of the rest of the testimony. I think if you did do it, that you were forced to do it, and I certainly wouldn't hold you up to scorn or ridicule for doing it, and I think you owe it to yourself and us, an obligation to tell us what that actual deal was, to absolve yourself.—A. I want to absolve myself, but I didn't give the man the \$2,000.

Q. How was the money used, do you know?—A. What money?

Mr. MOLL. That \$2,000?

The WITNESS. I used it.

The COURT. Did anybody else in the association ever take anywhere like that amount of money—any officer?

The WITNESS. No.

The COURT. Did DeSchryver?

The WITNESS. No.

The COURT. You're the only man that got it?

The WITNESS. Yes.

The COURT. And you didn't get it until August of this year?

The WITNESS. That's right.

The COURT. Whereas you started to spend the money in January of 1945.

The WITNESS. Well, it's like everything else, when you start something you don't want to drag out and to hurt it.

The COURT. Why didn't you get the \$650 you contributed back again?

The WITNESS. That shows we didn't try to wreck the association.

The COURT. You were trying to get back money you have spent in the last eighteen months. Why didn't you try to get back the \$650?

The WITNESS. That is an entirely different thing.

Mr. WATSON. That isn't the first time you drew money out for expense?

The WITNESS. That's right.

Mr. WATSON. Every other time you drew money out, it was properly listed?

The WITNESS. Yes.

Mr. WATSON. Traveling expenses on one occasion?

The WITNESS. Yes; don't forget I didn't take it out.

Mr. TRAVIS. Wait a minute. Can you explain to the Court why the books of your company indicate with reference to that \$2,000 that it was charged to "Membership Equity." Now, what does that mean? It isn't listed as organization expense, traveling expense, or promotion expense. What does that mean?

The WITNESS. What does it mean?

Mr. TRAVIS. That's what we would like to know.

The WITNESS. I don't know what it means.

Mr. TRAVIS. What kind of a cover is that?

The WITNESS. That's not a cover.

Mr. TRAVIS. You tell me what it means. There are your books. You are the president, you tell us.

The WITNESS. I never wrote in the books.

The COURT. Well, you're obliged to say it's a pay-off for a union agent?

The WITNESS. I didn't pay them off.

The COURT. What does "membership equity" mean?

The WITNESS. I guess it means for the good will, welfare of the organization. That's the way I surmise it.

The COURT. As Judge Moll said, if you paid that off to Jimmy James, whatever his name is, Jesse James, say so and absolve yourself.

The WITNESS. I am trying to absolve myself.

The COURT. The rational conclusion, if you didn't pay it to James, it is on your books unsupported by anything but your word of mouth, and the word of these other officers, and you embezzled \$2,000 from the association, and you're subject to a criminal charge.

The WITNESS. If I embezzled it, I will be subject to it. I figured I had it coming.

The COURT. You either took the money without warrant or right from that association, and expended it, appropriated it to your own use, or you took it out of the association to reimburse yourself for moneys you paid to James for the benefit of the association, and you ought to be reimbursed if you did.

Mr. MOLL. If you spent \$2,000 to keep the CIO union off your neck, or for any other purpose, if that was represented to you by James or anybody else, I don't see where any criticism falls on you.

The WITNESS. But I didn't do it.

Mr. MOLL. Well, all right.

The COURT. I'm sorry.

The WITNESS. You want me to say I did?

The COURT. I don't want you to say anything. This Jury is not convinced you are telling the truth. Your answers are evasive and contradictory, and I will, reluctantly, be obliged to hold you in contempt of court, because I am only going to give you a few more minutes to think it over, and if you don't change your mind, we will have to sentence you.

Mr. TRAVIS. Before you left the room last night, Judge Moll gave you plenty of paper and pencil and room to figure out what those were, those expenses of \$2,000, and you went out there during the course of the evening, and you wrote down sentences of twenty-five or thirty dollars a week to total up roughly \$2,000.

The WITNESS. That's right.

Mr. TRAVIS. Is that what you think?

The WITNESS. I spent more than that some weeks.

Mr. TRAVIS. You drew money out to cover special expenses.

The WITNESS. If you have any idea how much I spend out of my own pocket—

Mr. TRAVIS. What do you spend it for?

The WITNESS. People coming in, operators coming in, three or four, five or six in a bunch, I take them out to dinner and a few drinks, and you would be surprised how ten or fifteen dollars goes across the bar.

Mr. TRAVIS. Entertainment expense. Why didn't you charge it to entertainment and charge it to the corporation? You had a surplus.

The WITNESS. I didn't to hurt it.

The COURT. Anything further right now?

Mr. SCHEMANSKE. Just a minute, Judge.

The COURT. I am ready to pass on this now.

Mr. SCHEMANSKE. Just a minute, Judge. Mr. Brilliant, I have listened very attentively to the testimony given here. I don't know whether you know who I am or not.

Mr. TRAVIS. This is Mr. Schemanske, Chief Assistant Prosecuting Attorney.

The WITNESS. Yes.

Mr. SCHEMANSKE. I agree with Judge Moll. I think you have told us partially the truth, and I think you are holding some things back, and I agree with Judge Moll and the rest of the members of the jury here. We are not after the businessmen at all, because we feel they are victims of circumstances. They have a business they want to protect. They want to take the line of least resistance, and because of the proposition that was there, and you thought maybe this is the best thing out of this whole thing. I think I know something about activity of this county at present, and the previous activities. I have lived with the situation quite a long time. I spent a lot of time in the prosecutor's office.

The WITNESS. That's right.

Mr. SCHEMANSKE. And this is my fourteenth year there, and I think I know what I am talking about. I think in all fairness to yourself, you ought to think this thing over. After all, this is the opportunity that comes once in a lifetime, so far as this particular business is concerned.

The WITNESS. Mr. Schemanske, may I say something?

Mr. SCHEMANSKE. Yes, sure.

The WITNESS. The Judge and you gentlemen, I know, you are up here investigating rackets.

Mr. SCHEMANSKE. That's right.

The WITNESS. I am not a racketeer.

Mr. SCHEMANSKE. That's correct.

The WITNESS. I was pushed into the job, and secondly we are trying to help our business to the best of our ability.

Mr. SCHEMANSKE. That's correct.

The WITNESS. You asked me, and I answered to the best of my ability. I did not give Mr. James this \$2,000. If it will settle the issue by saying that I did, all right, but I didn't give it to him, though, gentlemen.

Mr. SCHEMANSKE. I don't want you to say anything except what is the truth.

The WITNESS. It is the truth; I didn't give it to the man.

Mr. SCHEMANSKE. Now, when you take \$2,000, you are the president, you have to account to the board of trustees; you are in a supervisory capacity.

The WITNESS. Yes, I know that I did wrong, too.

Mr. SCHEMANSKE. But when a \$2,000 item is withdrawn, it isn't a \$20 item, it isn't a \$100 or \$200 item, it is an item outstanding, like a sore finger.

The WITNESS. I appreciate.

Mr. SCHEMANSKE. You know all the angles to the withdrawal; you can't help it.

The WITNESS. If I had done anything crooked about the thing, I would not have drawn it out.

Mr. SCHEMANSKE. We are not accusing you of doing anything crooked. We want to find out the truth of the situation.

The WITNESS. I put my name on it, but I didn't give it to Jimmy James.

Mr. MOLL. Had you given him money before that time for some association purpose for which you were then reimbursing yourself when you drew the check.

The WITNESS. I didn't, Mr. Moll.

Mr. MOLL. Perhaps we are talking about the wrong money. Was there someone else to whom you expended money, not necessarily all of the \$2,000 but part of it?

The WITNESS. No.

Mr. WATSON. As a result of which you felt entitled to reimbursement?

The WITNESS. No, sir.

Mr. WATSON. Not a soul?

The WITNESS. Not a soul.

Mr. WATSON. You think that matter is not going to strike any businessman, lawyer, or accountant when he looks into those books, minutes of the association, and finds that there is not a word in the minutes about that repayment?

The WITNESS. I understand that.

Mr. WATSON. Normally that would be done, wouldn't it?

The WITNESS. That's right. The reason for that I was offered money by the week to work for the association and I refused it, so they never questioned this.

Mr. MOLL. Now, I want to tell you what some of our testimony is.

Mr. WATSON. Just before you get to that, Judge Moll, please, I want to ask about that entry, "Membership Equity." That's the way this \$2,000 check was entered in the records of the company.

The WITNESS. I would like to ask the accountant what he meant by it.

The COURT. It is a false entry; it is a false entry. \$2,000 was withdrawn and the check payable to you.

The WITNESS. It shouldn't have been entered that way.

The COURT. With no satisfactory explanation, and we have testimony here from other members you told them you were reimbursing yourself for money you gave James.

Mr. MOLL. That is what I want to tell you. We have testimony to the effect you told certain members you were reimbursing yourself for money you had previously advanced to James.

The COURT. That's how you got the check, and if you didn't tell that story you wouldn't have got the check. Figure it out. I think we have gone far enough.

Mr. MOLL. On that proposition, we have pointed out to you that would be embezzlement or obtaining money under false pretenses. You say you took it. You say you told them the basis for receiving that check was for money which you had previously turned over to James to keep this other union out of your hair.

The WITNESS. I didn't turn it over.

Mr. TRAVIS. Now, you have purged yourself on everything else, so begin telling us the story on that, and you will be through.

The WITNESS. I can't tell you. I can't tell you I gave it to him when I didn't.

The COURT. Anything more you want from this witness?

Mr. MOLL. I don't want to see this man go to jail, Judge, if he will tell the truth.

The WITNESS. Judge, I am telling you the truth.

The COURT. I am sorry, Witness, I believe the other parties. An unexplained withdrawal of substantial funds from the association, and a check signed by you, countersigned by another officer, not one satisfactory entry in the books as to why it was withdrawn, you are dealing with this man on many occasions as a union agent, and the record so far shows that other persons testified that the reason the check was given to you, that you plainly stated you wanted to reimburse yourself for moneys you paid to James. On that story, I am obliged to hold you in contempt of court for not telling the truth.

The WITNESS. We discussed it among the boys, but I didn't give James the \$2,000. I kept the \$2,000.

Mr. TRAVIS. What did you discuss among the boys?

The WITNESS. I kept the \$2,000.

Mr. SCHEMANSKE. Are you afraid, Mr. Brilliant?

The WITNESS. No, Mr. Schemanske.

Mr. SCHEMANSKE. Of what may result?

The WITNESS. No; I don't want to tell you a lie, I gave the man money when I didn't give him money.

Mr. SCHEMANSKE. If you are afraid, don't you think we should be in the same position?

The WITNESS. What am I afraid of?

Mr. SCHEMANSKE. I don't know.

The WITNESS. I have been kicked around a lot in my time.

Mr. SCHEMANSKE. I don't know, but I think you are silly to go to jail for that?

The WITNESS. Why should I go to jail?

Mr. SCHEMANSKE. I don't know. You heard the Judge. I am only trying to talk sense to you.

The WITNESS. The Judge asked me a question, and I am telling him, I didn't give the man the money. If I go to jail for that, I can't help it.

Mr. MOLL. There has been testimony here during the last several days to the effect that not only you represented that you had given James the money, \$2,000, and wanted to be reimbursed for it, but there is also testimony James stated to certain members of the association he received the money.

The WITNESS. If he received the money, he didn't receive it from me.

Mr. MOLL. I am only telling you what the testimony is.

The WITNESS. He didn't receive any money from me.

Mr. TRAVIS. Not that particular money, but money before that, for which this was repayment?

The WITNESS. No, sir.

Mr. TRAVIS. You weren't trying to recoup loss for some of these loans you had made to James, were you?

The WITNESS. No; I was not.

The COURT. All right, you may step out.

(Witness excused.)

9:05 p. m.

THOMAS V. LoCICERO, having been previously duly sworn, was recalled, examined, and testified further as follows:

The COURT. Mr. LoCicero, you have been sworn before?

The WITNESS. I have; yes.

The COURT. You are still under oath.

The WITNESS. Yes.

Mr. MOLL. You want Tom questioned?

The COURT. Yes; about that \$5,000 payoff.

The WITNESS. \$5,000 payoff?

Examination by Mr. MOLL:

Q. Now, as you know, Mr. LoCicero, this association was the Michigan Automatic Phonograph Owners Association?—A. Yes.

Q. And was organized in the month of January 1945, and the organization was following a conference on the part of several operators with the president of the association in Cleveland, Ohio, and the business agent of the Ohio local. Are you familiar with that?—A. I understand they were up here.

Q. Several of the local operators went to Cleveland and they discussed the Cleveland association and the workings of the Ohio local with the president of the Cleveland association and the business agent of the Ohio local?—A. I think they made several trips down there.



The COURT. A fellow named Presser?

The WITNESS. Yes.

By Mr. MOLL:

Q. On the return of the operators to Detroit and approximately at the time of the organization of the association, a fund of \$5,000 was raised by contributions from various operators. Did you ever hear of that?—A. No, sir.

The COURT. They say you did.

The WITNESS. They say I did? They can say what they please.

The COURT. They don't claim you knew at that time, but subsequently.

The WITNESS. Yes; I will tell you just what I know about it.

By Mr. MOLL:

Q. I mean you heard of the raising of the money?—A. Yes; I heard it very recently.

Q. Did you learn what was done with that money?—A. Yes; let me give you that full picture the way I know it. Vic DeSchryver came in to me, I think a couple of days ago, two or three days ago, just before he was to appear here and asked me about what to—how to guide himself here. I said, "Vic, there is only one thing to do; tell the truth." He said, "Do I have any immunity?" I said, "As I understand the law to be, you have to answer all questions to the Grand Jury, and above all, tell the truth. If you feel that some answers you might give might incriminate you, then state that to the Court. I feel you still have to give the answer, but if the Court feels then you are being incriminated as I understand the law, the Court is to give you immunity for that particular statement." My statement of that kind to him was because of an opinion I read of Judge O'Hara's dealing with the Johnson case in Mt. Clemens. I said at that time, "That is the way I understand the criminal law," and he asked me, "Is there anything wrong in having paid some money to Bill Presser of the Ohio group?" And I said, "What money did you pay him?" He said, "We paid him \$5,000." I said, "Where did it come from?" He said, "It came from the various operators." I said, "Vic, I never knew anything about that." He said, "No; you haven't known anything about it, but it happened," and that's how I learned about the \$5,000.

Q. Did he enlarge upon the proposition of payment to Presser?—A. He stated it was for him to help them set up the same type of organization here, and get them started on their organization.

Q. It was also to take care of certain local union figures here?—A. He didn't state that to me.

Q. He did not?—A. No, sir.

Q. Do you recollect some few weeks ago there was some threat that a CIO union was going to step into the juke box picture here in Detroit?—A. No, I never heard of that.

Q. Was that a matter of discussion?—A. Not in my presence at any time.

Q. Did you ever hear through any of the operators that James had been paid any money for any purpose?—A. There has been a rumor of that kind, but I wasn't sure of just what it was.

Q. What did you hear?—A. Pardon me?

Q. What did you hear in that respect?—A. I heard some money had been paid him. What amount it was, I don't know.

Q. How did you hear that?—A. I think one of the operators—I can't recall whether it was at a general meeting I attended or where it was. I don't recall to be honest with you, and I asked—who was it I asked now about it? I think it was either Vic DeSchryver or Joe Brilliant, and they said that wasn't so. I said I certainly wouldn't feel it was a proper thing for them to do.

Q. Now, I am going to show you a check here for \$2,000 drawn on the association. It is Grand Jury Exhibit 102, payable to Joe Brilliant, signed and countersigned and endorsed by him. It has been represented to us by certain operators that this money was paid out of association funds to Brilliant, to reimburse him for money which he claimed, for the association, he had previously advanced to James. Have you ever heard any discussion of that \$2,000 transaction?—A. Not until the other day.

Q. And from whom did you hear about it?—A. Joseph Brilliant.

Q. What did he represent to you at that time?—A. Just exactly what you say you heard from the other operators. He came in and I gave him the same information I gave to DeSchryver, so on top of that he said, "is there anything wrong for me receiving \$2,000 for money," which he had advanced.

The COURT. Who said that?

The WITNESS. Brilliant.

The COURT. Give us the conversation.

The WITNESS. The same as I have stated.

The COURT. DeSchryver came in on the \$5,000 to Presser?

The WITNESS. Yes.

The COURT. And on the same day did Brilliant come in?

The WITNESS. No, it was after, the next day. As a matter of fact, I think it was yesterday.

By Mr. MOLL:

Q. Let me put it to you this way: Did Brilliant say to you yesterday in your conversation with him that he had requested this check as reimbursement to himself for moneys which he had previously advanced to James?—A. No, he didn't put it that way. He asked me, he said, this: He said, "I received \$2,000 from the association." I said, "Joe, I have never seen any reference to it in the minutes of the association. Did the board authorize it?" He said, "We discussed it," that is, he had discussed it with the board, and I said, "It isn't in the minutes, is it?" He said, "no." I said, "I have never heard of it. What is it for?" He said, "It is to reimburse me for money which I have paid in connection with the organization of this business," but he didn't say to whom he had paid money, or what the expenses were.

Mr. TRAVIS. Did he say it was money he had paid?

The WITNESS. Expenses he had incurred in connection with the organization.

Mr. SCHEMANSKE. What expense did he incur?

The WITNESS. I don't know.

Mr. MOLL. What expense could he incur?

The WITNESS. As I understand it, it was money paid before the association had a checking account.

Mr. MOLL. Before the association was in existence?

The WITNESS. Some of it, he said.

The COURT. Did he say he included the \$650 he had advanced to make up the payment to Presser?

The WITNESS. That was never mentioned. I never heard of the \$650.

The COURT. He actually did put up \$650 towards that \$5,000 fund, and if he was to get reimbursed for money he paid along the line, he ought to have included the \$650.

The WITNESS. I suppose so.

Mr. WATSON. Tom, in the books of the corporation they have various amounts disbursed, including among which are proper items of such as "Promotional Expense," "Travel," "Entertainment," "Salary," "Miscellaneous Expenses," so on and so on, and that would be the proper place to spread such a disbursement, wouldn't it?

The WITNESS. I would think so.

Mr. WATSON. I would like to talk on why a large disbursement from this particular account might be called, "Membership Equity." What the hell is "Membership Equity," and what has it got to do with—that is check number 384—the last entry in the book, Joseph Brilliant, check number 384, disbursed in the amount of \$2,000 and only drawn on the 26th of August, just a couple of weeks ago.

The WITNESS. Yes.

The COURT. There ought not to be any doubt in anybody's mind now.

Mr. WATSON. That is a couple of years or almost a couple of years after any expenses in the formation of the organization could have been incurred, and that is entered in the books as "Membership Equity." Doesn't it seem to you that is a fictitious entry?

The WITNESS. I wouldn't think it is proper. I told him I couldn't see why it was paid unless for actual expenses. I understood there were expenses incurred in the beginning of this thing.

Mr. WATSON. Assuming there was a \$5,000 item of expense to pay, say, Mr. Presser, Mr. Dixon, and possibly others. When they raised that \$5,000 they contributed \$650 a piece and it would have been a very simple matter to have got \$750 instead, from these fellows, to handle that expense, don't you think so?

The WITNESS. It seems to me that could have been done; yes.

The COURT. We told him in substance he is right down at the end of the spring-board.

The WITNESS. I told him to explain it.

The COURT. We have testimony from members of the association that he told them he was getting this money to reimburse himself for money he paid to James?

The WITNESS. Oh, I see.

The COURT. If he did it, he should tell us. I said to him, "If you paid James out of your own pocket, whether right or wrong, then the association should reimburse you."

The WITNESS. Yes.

The COURT. I told him we were holding no charge against him, we were investigating racketeering. If he didn't pay it to James, then he ought not to be reimbursed, but if he had no real ground to get that money, then he did obtain it under false pretense from the association.

The WITNESS. That's why I asked him whether the board knew about it.

The COURT. I am ready to rule on it. He's sitting out here now. Now, I want to give him a chance, if he will come in and tell us the truth.

Mr. SCHARFMAN. The fact it didn't appear in the minutes would be notice to anyone that there was something wrong in the situation, isn't that true, with that type of an item?

The WITNESS. I would think so.

Mr. MOLL. Also he a very palpable attempt to get his \$650 back. The point is, as the association members tell us, he stated to them, whether rightly or falsely, that he had advanced the \$2,000 to James, and he wanted to be reimbursed for it.

Mr. TRAVIS. I will show you a check, Exhibit 101. Do you know anything about that?

The WITNESS. No; never heard of it.

Mr. TRAVIS. Look at the endorsement.

The WITNESS. James, okay, that's Jimmy James.

Mr. TRAVIS. Did you discuss that check, Exhibit 101?

The WITNESS. No; never heard of it.

The COURT. He cannot explain it.

The WITNESS. Pardon?

The COURT. He cannot explain it to us.

The WITNESS. Oh, I see. I have never heard of it.

Mr. MOLL. Do you know when the union raised its dues to the operating members from 40 or 50 cents per unit to about 70 cents a unit?

The WITNESS. It was discussed at one time; there was some kind of a discussion, and they said they had negotiated back and forth, and the union said it couldn't operate on what it was getting, and they wanted to increase it. I heard that at a general meeting of the members.

Mr. MOLL. Were you ever present at any discussion of increased dues with James when he made any representation?

The WITNESS. No; it was a general meeting of the members. At that time the question was brought up as to whether there was to be an increase, and they said if necessary it was to be done.

Mr. MOLL. Did you know that practically, simultaneously with the raising of the dues by the local, that Mrs. Hoffa and Mrs. Brennan were put on the local payroll?

The WITNESS. What payroll?

Mr. MOLL. The payroll of the local union?

The WITNESS. No; I never heard of that.

The COURT. And rendered no service.

The WITNESS. That's news to me.

Mr. TRAVIS. This is the daybook, Josephine Hoffa, Alice Brennan, and for your information, Tom—

Mr. MOLL. They were paid some \$6,000.

Mr. TRAVIS. They appeared on the payroll the first time September 20, 1945, and were there each week until April of this year.

Mr. WATSON. When the grand jury started.

Mr. TRAVIS. And the total sum actually paid out, exclusive of withholding tax to the government, was approximately \$6,000.

The WITNESS. I never heard of that, and I told your Honor yesterday what my intention was. I tried to contact Mr. DeSchrivver today, and I saw him walking out of the building when I came in here a little while ago, and I tried to get hold of Joe Brilliant, and found he had been missing since last night, and my purpose of calling them was to sit down with them and say, "I can't

continue with your organization, so you might as well start looking for somebody else."

Mr. MOLL. Would you like to talk to Mr. Brilliant now?

The WITNESS. Well, if you like. I can only tell him what the situation is, that I can't condone anything like that.

The COURT. Off the record.

(Discussion off the record.)

(Witness excused.)

9:45 p. m.

EUGENE C. JAMES, having been previously duly sworn was recalled, examined, and testified further as follows:

The WITNESS. I want to tell you, I told you a lie here in this respect.

Mr. TRAVIS. There were so many, which one?

The WITNESS. Well, I am talking to these gentlemen over here. That is one I told you, not thinking, it was so damned small I fogot about it.

Mr. WATSON. What was that?

The WITNESS. World-Wide Trade, you asked me if I had any more stock.

Mr. WATSON. What is World-Wide Trade?

The WITNESS. It is a little company formed with not much money involved for buying and selling surplus property, anything we could buy.

Mr. TRAVIS. Who are your associates?

The WITNESS. Well, a French fellow from Canada and myself, Victor Deschryver, and I guess that's about all I know that was in it.

Mr. WATSON. What do you buy and sell?

The WITNESS. We didn't buy anything and we didn't sell anything, but our intentions were to buy surplus property. There ain't no money in it to speak of, and I forgot all about the thing.

Mr. WATSON. Mr. W. B. Englehart is president?

The WITNESS. Yes.

Mr. WATSON. And the office is the same address as the union up there in the Francis Palms Building?

The WITNESS. Yes.

Mr. WATSON. Now, do I understand you were unable to locate your previous checking account?

The WITNESS. I don't know whether they are home—I have got them—I can get them, but they aren't in the office.

Mr. WATSON. They might be at the auditor's office.

The WITNESS. They might be. I don't know, I couldn't swear to that.

Mr. WATSON. And they might be at your home.

The WITNESS. You mean my personal?

Mr. WATSON. Yes.

The WITNESS. That's at home, I am positive.

Mr. MOLL. Before Mrs. Hoffa and Mrs. Brennan went on the payroll, in their own names, were they paid any money out of the union?

The WITNESS. No, sir.

Mr. MOLL. Were they paid any money withdrawn out as organizational expenses?

The WITNESS. No.

Mr. MOLL. So all they were paid was during the time their names appeared on the payroll?

The WITNESS. That's the only money they ever got.

Mr. MOLL. Were they paid in cash or check?

The WITNESS. Oh, by check.

The COURT. And they never rendered any service?

The WITNESS. No, sir.

Mr. TRAVIS. I notice your check register and your books here indicate after the names of Josephine Hoffa and Alice Brennan, Salary and Expense.

The WITNESS. That's right, that's exactly what it says.

The COURT. That isn't true?

The WITNESS. Sir?

The COURT. It is not true. They didn't have any salary coming to them, did they? Mrs. Hoffa and Mrs. Brennan didn't have any salary coming.

The WITNESS. Well, the way you say that, you're right, Judge.

Mr. TRAVIS. And they certainly didn't incur any expense.

The WITNESS. No, I don't suppose they did.

The COURT. Who fixes your salary?

The WITNESS. Sir?

The COURT. Who fixes your salary?

The WITNESS. The board.

The COURT. The board. Who appoints the board?

The WITNESS. They are elected.

The COURT. By the members?

The WITNESS. Yes, sir.

The COURT. Does the board get paid.

The WITNESS. They get paid for all meetings they attend.

The COURT. How much?

The WITNESS. Well, it depends on what it is. If it is just a regular meeting, and they don't lost any work, I think it is \$5, and if they have to be called in and lose time they are paid for the time they lose. If it is a long meeting like something important involved, I think they get \$10.

Mr. TRAVIS. Who are the members of the board?

The WITNESS. I think I named them to you.

Mr. WATSON. Just a minute, Sam.

Mr. TRAVIS. Is that on the record already?

The WITNESS. Yes.

Mr. WATSON. Mr. James, there has been a change in our program the last few minutes, and we are going to excuse you a minute, five minutes or so, and then we will go ahead with your examination.

The WITNESS. All right.

(Witness excused.)

10:00 p. m.

JOSEPH BRILLIANT, having been previously duly sworn, was recalled, examined, and testified further as follows:

Mr. WATSON. Joseph Brilliant previously sworn, desires to continue his testimony.

The WITNESS. My attorney told me something about immunity, whatever it is, I don't know what it is, but he told me to tell you the whole works.

The COURT. Regardless of what your attorney said to you a few minutes ago, trying to advise you what you should do, we have asked you to tell us the truth, and we expect you now to tell it.

The WITNESS. I took the \$2,000 with the sole purpose of giving it to Jimmy James.

The COURT. Why?

The WITNESS. To reimburse him for some expenses he said he paid out for the benefit of his union, and further for us. I took it upon myself.

The COURT. What did he say the expenses were he incurred?

The WITNESS. Yes.

The COURT. No: what expenses did he tell you he incurred that would justify him in asking you, as the president of the association, to reimburse him or to pay him \$2,000.

The WITNESS. He said he had straightened out something about the CIO officials or something like that. I don't know, your Honor.

The COURT. In other words, he asked you to make——

The WITNESS. Yes: he did.

The COURT. ——a pay-off to him of \$2,000.

The WITNESS. Yes: he did.

The COURT. And if you paid that money to him——

The WITNESS. Let me finish.

The COURT. ——after you paid the money to him he would straighten out.

The WITNESS. No: he already straightened it out, he said.

The COURT. Already straightened it out?

The WITNESS. Yes.

The COURT. So if he got it then Jimmy James—Is that his name?

The WITNESS. Yes.

The COURT. Jimmy James as president of that local, said he had performed certain work beneficial to the association?

The WITNESS. No: to his union, and helped us.

The COURT. Benefits of his own union?

The WITNESS. Yes.

The COURT. And because he did something beneficial to his own union he requested you to get \$2,000 from your association?

The WITNESS. He asked me.

The COURT. In other words, he asked you for an old-fashioned pay-off?

The WITNESS. Yes.

Mr. WATSON. Where was that conversation?

The WITNESS. I think in my office.

Mr. WATSON. Bearing in mind that the check was obtained, drawn, on the 26th—

The WITNESS. Let me explain it please, if I may.

Mr. WATSON. Please do.

The WITNESS. So I dragged it along a while. Last week or the week before, I don't remember—I think it was the last week—last week or the week before, whenever that happened I went up to association and asked for a check for the \$2,000 and drew it and took it and put it in my pocket. I got down with a cold and was home in bed. I didn't see Jimmy this week, I hadn't seen him, and therefore I didn't give him the money, but I took it with the sole purpose of giving it to him.

The COURT. And not to reimburse yourself for expenses?

The WITNESS. Yes; that's the God's honest truth.

Mr. WATSON. Do you still hold the check?

The WITNESS. No, I have the money.

The COURT. You cashed the check?

The WITNESS. Yes.

The COURT. You have the money now?

The WITNESS. Yes.

Mr. MOLL. Did James say what would happen if you didn't have the money?

The WITNESS. No.

Mr. MOLL. You paid no part of it to him?

The WITNESS. That's right.

The COURT. But when you got it from the association, you got it with the sole purpose of giving it to James at his request.

The WITNESS. Yes.

Mr. WATSON. Where was the request made?

The WITNESS. He spent it and he felt he was entitled to get it back.

Mr. WATSON. When did he tell you?

The WITNESS. A couple of months ago.

Mr. WATSON. Try to fix it as closely as you can now.

Mr. SCHEMANSKE. What did he say the CIO would do? How would they chisel in?

The WITNESS. He said some other fellows were starting a CIO union in town.

Mr. SCHEMANSKE. Did he say what would happen?

The WITNESS. No.

The COURT. In substance, they were going to start something and he talked them out of it?

The WITNESS. Yes.

The COURT. And that made his union more stable?

The WITNESS. Yes.

The COURT. And, therefore, valuation of your association more stable?

The WITNESS. Well, I don't know about that, but I know it wouldn't hurt any if no other union came into the picture.

The COURT. In other words, he cleared his field of the CIO contemplated union?

The WITNESS. Yes.

The COURT. And he wanted you to pay him \$2,000 for doing that?

The WITNESS. That's right.

The COURT. Now, was that the first time he ever asked you to pay money to him?

The WITNESS. Yes.

The COURT. You had a lot of transactions?

The WITNESS. Yes; that was the first time he has ever asked me for any money.

The COURT. The check is dated August 26th.

The WITNESS. Yes; I stalled it along.

Mr. MOLL. When did he first start talking to you about the encroachment of the CIO local and having spent any money?

The WITNESS. It was before I left for my vacation, and I left the second week in July.

The COURT. The beginning of the second week of July?

The WITNESS. Yes; he came before I left, and I was gone two weeks.

Mr. WATSON. All right ; around the 4th of July?

The WITNESS. I don't know exactly.

Mr. MOLL. As well as you can, when did he first broach the subject.

The COURT. Look at that calendar and tell us when you went on your vacation?

The WITNESS. I went on the 15th.

Mr. SCHEMANSKE. It was before that?

The WITNESS. Yes.

Mr. SCHEMANSKE. How long before?

The WITNESS. A couple of weeks.

Mr. SCHEMANSKE. Around the first of July?

The WITNESS. Yes ; around the first of July.

Mr. SCHEMANSKE. That's the first time he ever mentioned any encroachment of the CIO?

The WITNESS. Yes.

Mr. SCHEMANSKE. What did he say at that time to you?

The WITNESS. He says some fellows were trying to start up a CIO.

Mr. SCHEMANSKE. Who did he say the fellows were?

The WITNESS. He didn't say.

Mr. SCHEMANSKE. What did he say the fellows were going to do, try to form another local?

The WITNESS. Yes.

Mr. SCHEMANSKE. Where were you at the time? In your office?

The WITNESS. Yes.

Mr. SCHEMANSKE. Who was present at the time?

The WITNESS. Him and I.

Mr. SCHEMANSKE. Just the two of you?

The WITNESS. Yes.

Mr. SCHEMANSKE. Did you bring that matter before the board?

The WITNESS. In a haphazard way.

Mr. SCHEMANSKE. Did you do it officially or talk to them individually?

The WITNESS. Just discussed it.

Mr. SCHEMANSKE. At a board meeting?

The WITNESS. No.

Mr. SCHEMANSKE. How many board members were present?

The WITNESS. I think I discussed it with three or four.

Mr. SCHEMANSKE. Who were they?

The WITNESS. I think it was Jack.

Mr. SCHEMANSKE. Jack who?

The WITNESS. Baynes. I am not sure now. Now, I don't know ; I wouldn't say.

Mr. SCHEMANSKE. Were you at your offices over in the Ford Building at the time?

The WITNESS. Yes.

Mr. SCHEMANSKE. Was there a regular meeting of the board, and then discussed off the record ; is that the way you did it?

The WITNESS. Yes ; just discussed ; no payoff, nothing about a payoff or anything of that kind. I said, "Let's drop the whole thing," and we did.

Mr. SCHEMANSKE. Could you use the minutes of the board meeting in July and refresh your memory, as to who was present?

The WITNESS. I wouldn't know when we talked about it.

Mr. SCHEMANSKE. What did you say to the other board members?

The WITNESS. I said, "looks like there is a CIO coming into being."

Mr. SCHEMANSKE. Did you tell them who gave you the information?

The WITNESS. Yes.

Mr. SCHEMANSKE. Did you tell them what he said?

The WITNESS. No.

Mr. SCHEMANSKE. What did you tell the other board members?

The WITNESS. That's just about all.

Mr. SCHEMANSKE. And what did the other board members say in response to that remark?

The WITNESS. I don't remember. There was a lot of mumbling and grumbling. I couldn't tell you and be honest about it, what was said. I was teased about it, mad about the thing, and I said, "Let's leave the whole damn thing," and I just dropped it, and went on vacation, and when I came back there, I stalled it and stalled it.

Mr. SCHEMANSKE. Stalled with who? James?

The WITNESS. Yes; just let the matter drop; and one day it was brought up and I said, "I will take it up one fine day and get the money."

Mr. SCHEMANSKE. Did James continue to ask you about it?

The WITNESS. He only asked me once, and then once after I came back.

Mr. SCHEMANSKE. Where were you at that time?

The WITNESS. I think he drove by the store.

Mr. SCHEMANSKE. He drove by the store?

The WITNESS. Yes.

The COURT. How much did he ask you for?

The WITNESS. \$2,000.

Mr. WATSON. How long were you gone on vacation?

The WITNESS. A couple of weeks.

Mr. WATSON. Then you came back about the first of August?

The WITNESS. Yes.

Mr. WATSON. And he mentioned it after that?

The WITNESS. Yes; and I said, "one of these fine days I will get it for you."

Mr. SCHEMANSKE. When he drove by the store, what did he say to you on your second visit?

The WITNESS. He said, "When will I see you, Joe?" You know, it was in regard to that, and I said, "One of these fine days."

Mr. SCHEMANSKE. Did he mention what he would see you about, or did you just infer?

The WITNESS. I just inferred, you know, just like saying, "How about it, kid?" Something like that.

The COURT. What did you say?

The WITNESS. I said "in a couple of weeks," and then I stalled it off until the day I got the check, and probably if he had come by in a day or two I probably would have given it to him, but before he came by I was sick, laid up with my stomach and a nasty cold, and this week I was busy and didn't see him.

Mr. SCHEMANSKE. When you presented the matter to the board the last time and a check was given, what was said?

The WITNESS. I will tell you the exact words, "If you think it's okey, okey." That's the attitude of all the fellows.

Mr. SCHEMANSKE. You must have discussed something more than that.

The WITNESS. Just that many words. Those gentlemen, they trust me.

Mr. SCHEMANSKE. Didn't you infer what the subject was?

The WITNESS. No.

Mr. SCHEMANSKE. How did the other members of the board of trustees know what you were referring to?

The WITNESS. Because it was discussed once before. I said "on that little matter, I am going to draw a check for \$2,000," and they said, "all right."

Mr. SCHEMANSKE. The entire board understood that the discussion was about the fact the CIO was to come in and Jimmy James would take care of the situation.

The WITNESS. There was about three or four there. It wasn't the entire board. The others must have told the others that weren't present.

Mr. SCHEMANSKE. Any objection raised?

The WITNESS. Just like I said, if I had gone over to the board and said, "gentlemen, I want the whole \$7,000, I want to put it in my pocket," they wouldn't have said a word about it. That's my opinion.

Mr. WATSON. Now, along about this time was there some conversation on Mr. James' part he had been put to an expense in connection with the litigation in court, and he thought a contribution from the association or from the individual members might be in order?

The WITNESS. No. Maybe that was part of the money, for that, too, but he didn't ask me for any more money after that. That was the only time he asked me for money.

Mr. WATSON. Never before?

The WITNESS. Never before, and if I hadn't been laid up with a cold he would have had the money today.

Mr. SCHEMANSKE. Did he specify the amount?

The WITNESS. He said a couple of thousand dollars, and that's what I drew, a couple of thousand dollars, and I asked the auditor how to put it down, and he said, what was I doing with it, and I told him, "I am taking the \$2,000 for myself," and I had spent it for the welfare of the organization, and he turned around and he told the girl what to do with it, and I don't know how he entered it in the book, or what happened. I don't even know the meaning of the word.

Mr. SCHEMANSKE. All right.



Mr. MOLL. I will show you this check drawn on the National Bank of Detroit, dated October 26, 1945, signed by E. C. James, made payable to the Brilliant Music Company in the sum of \$2,500. What was that check for?

The WITNESS. October 26, 1945? Did he loan me this? That's the only way I can figure it.

The COURT. What?

The WITNESS. I thought he only loaned money once from me. I thought I only loaned him once, too. I might have loaned twice, but there was nothing mentioned about it.

The COURT. You deposited it?

The WITNESS. Yes.

The COURT. By your company?

The WITNESS. Yes; no question about it.

The COURT. It went through the clearinghouse October 27, 1945, paid?

The WITNESS. Yes, sir.

The COURT. That was last October. You don't know what it is for?

The WITNESS. No; that must have been a loan.

The COURT. He made to you?

The WITNESS. Yes.

The COURT. Where is he getting this money?

The WITNESS. I don't know.

The COURT. Where does he get it?

The WITNESS. I don't know where he gets it.

The COURT. You don't owe him any money?

The WITNESS. No, sir.

The COURT. He doesn't claim you owe him anything?

The WITNESS. He couldn't claim I owe him anything.

Mr. TRAVIS. I understand this \$2,000 was placed in your bank account after you drew it from the association. It's still there?

The WITNESS. Yes.

The COURT. Just sit out there a few minutes.

(Witnessed excused.)

10:20 p. m.

EUGENE C. JAMES, having been previously duly sworn, was recalled, examined, and testified further as follows:

Examination by Mr. MOLL:

Q. I will show you this check dated October 26, 1945, payable to Brilliant Music Company in the amount of \$2,500, bearing your signature. What was the purpose of that?—A. That was a loan I made to him.

The COURT. What?

The WITNESS. That was a loan I made to him, one time I was up there and he asked me for this loan, and I didn't have a checkbook or anything with me, so that was marked over, and that was a loan I made to him.

By Mr. MOLL:

Q. Did you get any security for that?—A. I think I told you another lie. I think this was \$2,500 instead of \$3,500.

Q. Is that the only loan you made to him?—A. No; I have made cash loans to him.

Q. In what amount?—A. Offhand I don't know exactly. I know I loaned him some money. I have the checks to show for it, but I believe—I know this is a loan, but I don't remember how much cash I loaned him.

The COURT. Where did you get the money to make the loan to him?

The WITNESS. Saved it.

By Mr. MOLL:

Q. Has that been paid back, that loan?—A. Yes, sir; I think it has. I know it has.

Q. When did he repay you?—A. Well, sometime before I bought my house. I don't know just when. The date those checks are all show for themselves, but I have forget it, and I can straighten that all out in your minds later.

The COURT. He borrowed \$2,500 from you?

The WITNESS. Yes.

The COURT. And then paid it back?

The WITNESS. Yes.

The COURT. And then you bought a house and you borrowed from him?

The WITNESS. Yes.

The COURT. How much?

The WITNESS. Well, Judge, offhand I think I borrowed close to \$5,000 from Joe.

Mr. SCHEMANSKE. What did he say he needed the money for?

The WITNESS. Sir?

Mr. SCHEMANSKE. What did he tell you he wanted the money for?

The WITNESS. Well, he told me he needed it for his business, but I found out through a round-about way later he wanted to buy a bar or his buddie wanted to buy a bar or something. I didn't ask him offhand. I want to clarify the record on that check, because I believe it was \$2,500 instead of \$3,500.

The COURT. Did you get any security for it all all?

The WITNESS. No; it was only a short loan. He only wanted it for just a short while.

By Mr. MOLL:

Q. Doesn't it impress you as peculiar he is borrowing from you one day, and you are borrowing from him another?—A. Yes; it does.

Q. How do you explain that situation?—A. Well, Judge we were good friends, and I know I wouldn't ask Joe for anything I couldn't have some means of giving it back to him, and I know Joe is in a position to pay me back.

Q. Have you asked him for any money recently?—A. Recently?

Q. Yes.—A. No, sir.

Q. Within the last two months?—A. No.

Q. Did you make a request on him for \$2,000?—A. No, sir.

Q. Around about the latter part of July?—A. No, sir.

Q. By reason of some union trouble?—A. No; the fact of the matter he asked for money.

Q. When?—A. To take up that loan he has got of mine, \$2,000, and I told him I couldn't pay it then, I would have to leave it go for a while. He even put the brush on me for what I owe him.

The COURT. How much do you owe him?

The WITNESS. Two thousand, and I told him when the note was due, I said, "Joe, I haven't got the money, I haven't got it right now," and I said, "If you can get by for a while I will straighten it out," because he asked me for it.

Mr. SCHEMANSKE. You owe him \$2,000, Mr. James?

The WITNESS. Sir?

Mr. WATSON. You owe Mr. Brilliant \$2,000 right now?

The WITNESS. Yes.

Mr. WATSON. And you owe Mr. DeSchryver \$2,000?

The WITNESS. \$2,000.

Mr. WATSON. We talked earlier about the Marquette Distributing Company and you said you had never had any interest in that?

The WITNESS. Yes.

Mr. WATSON. Did you enter into any negotiations when that company was being formed to acquire an interest in it?

The WITNESS. No.

Mr. WATSON. Did you ever hear of it? I have heard it talked about, they were going to have it, but I had nothing to do with it.

Mr. WATSON. You definitely didn't invest any money in it?

The WITNESS. No, sir.

Mr. WATSON. You didn't plan to invest any money in it?

The WITNESS. No, sir.

Mr. WATSON. You didn't tell Mr. DeSchryver you would permit yourself to invest some money in it?

The WITNESS. No, sir.

(Thereupon a document was marked "Grand Jury Exhibit 103" by the Reporter.)

Mr. WATSON. I will show you Grand Jury Exhibit 103, a copy of a letter dated January 2nd, 1916, and ask you if you received the original of that letter? What is your answer?

The WITNESS. No, sir.

Mr. WATSON. You never heard of anything like that?

The WITNESS. For \$6,000? Christ, no.

Mr. WATSON. This comes as a complete surprise to you?

The WITNESS. Yes.

Mr. WATSON. Grand Jury Exhibit 103 is a carbon copy of a letter dated January 2nd, 1946, addressed to E. C. James, Music Maintenance Workers Union, 805 Francis Palms Building, 2111 Woodward, Detroit 1, Michigan: "Dear Jim: We are winding up our arrangements on Marquette Distributing Company. So that we might complete this picture as soon as possible, will you forward a check payable to Marquette Distributing Company in the amount of \$6,250 for your portion of this stock. Also, please let us know in whose name to issue the stock. Cordially yours." Typed "Victor J. DeSchryver," and the initials VJD/AG. You deny receiving the original of that letter?

The WITNESS. Yes.

Mr. WATSON. You deny ever knowing anything about it?

The WITNESS. I knew Marquette Distributing was being formed, but I never had any stock in it, never bought any, and never was approached to buy any.

The COURT. Did you give a check?

The WITNESS. No.

Mr. WATSON. Between that time, January 2nd, 1946, and January 22nd, 1946, you didn't send a check to Mr. DeSchryver or money or part check and part cash in the amount of \$3,100 for an interest in the Marquette Distributing Company?

The WITNESS. No; I never sent him no checks, and I never give him no money.

Mr. WATSON. You didn't send him or hand him any money?

The WITNESS. No, sir; not for that, not for stock.

Mr. WATSON. What did you give him \$3,100 for?

The WITNESS. I don't even know I gave him \$3,100.

Mr. WATSON. Now, did you give him any sum around the 22nd of January that was anywhere near the amount?

The WITNESS. I don't remember.

Mr. WATSON. Is it not true—remembering you are under oath now—that you, in the ultimate wind-up of that corporate or proposed corporate structure here, you acquired 310 shares in Marquette Distributing Company for which you were to pay \$3,100, that the stock was to be issued in the name of Mr. DeSchryver, endorsed in blank and held in trust for your wife, Mrs. Eleanor James, and that stock is held today as collateral security for the payment of the balance of the \$5,000 note you made to Mr. DeSchryver, together with your wife, which money was borrowed when you acquired your new home?

The WITNESS. No, sir.

Mr. WATSON. That's not true?

The WITNESS. Not true.

Mr. WATSON. All right; do you deny that you had an interest, or had anything to do with the acquisition of Mr. Brilliant's interest there?

The WITNESS. No, sir.

Mr. WATSON. His interest in Marston Distributing Company?

The WITNESS. No, sir.

Mr. WATSON. Do you deny that you attempted to negotiate a sale of Mr. Brilliant's interest in Marston Distributing Company for \$7,000?

The WITNESS. Yes, sir.

Mr. WATSON. You deny that?

The WITNESS. Yes.

Mr. WATSON. And you deny that you have ever had any interest or any equity, or that your wife has ever had any interest or any equity in Marston Distributing Company or Marquette Distributing Company?

The WITNESS. I don't know about my wife. I haven't.

Mr. WATSON. Now, if you had advanced any money for the acquisition of an interest in that company with it to be held in your wife's name, you would know it, wouldn't you?

The WITNESS. Not necessarily.

Mr. WATSON. Not necessarily?

The WITNESS. No.

The COURT. You mean to tell us you are doing business with DeSchryver, he is interested in the corporation, and if your wife had an interest in some stock or was a cosigner on a note in which you also were a cosigner, the balance due to DeSchryver on that note, you wouldn't know whether your wife had stock in the Marquette Company or not?

The WITNESS. Looks like I would under those conditions.

The COURT. I will ask you to read this letter here and see if it refreshes your memory?

The WITNESS. I never got no letter like that.

The COURT. No; that is a fact. This letter reads this way: It is on the letter-head of Marquette Distributing Company, 3770 Woodward Avenue, Detroit 1, Michigan, dated February 26, 1946, registered mail, and addressed to Mrs. Eleanor James, 16468 Collingham Drive, Gratiot Township. "Dear Mrs. James:" That's your wife's name?

The WITNESS. Yes.

The COURT. See if this letter refreshes your recollection?

The WITNESS. I never got no letter like that, Judge.

The COURT. I know you didn't, but you can be held in contempt of court for evasive answers, and that's just exactly where you are headed.

The WITNESS. All right.

The COURT. We want to know what you know about it other than by this letter.

The WITNESS. All right; go ahead and read it.

The COURT. This letter was never delivered, something else took its place. "This is to advise you"—it is directed to your wife—"This is to advise you in accordance with our agreement that the writer holds 310 shares of the capital stock of the Marquette Distributing Company issued to him, and endorsed in blank by him, which is his property and fully paid for, and is to be held for the writer as collateral to a certain note dated February 25, 1946, in the face amount of \$5,000, due on or before 18 months from date, of which you are a cosigner. It is agreed that the 310 shares of stock will be delivered to you upon the full satisfaction and accord of the aforesaid mentioned note. Very truly yours, Victor J. De-Schryver." Is that the contents of that letter—is that true?

The WITNESS. Well, you are asking me now if I own the stock and had negotiations to buy the stock?

The COURT. Yes.

The WITNESS. Well, I deny it.

The COURT. Did your wife?

The WITNESS. Not to the best of my knowledge.

The COURT. Do you know anything about the contents of that letter?

The WITNESS. No.

The COURT. You don't know whether it is true or false.

The WITNESS. No, sir.

The COURT. Did you, during the past summer or early fall, request Mr. Brilliant to pay you \$2,000 to compensate you for some alleged activities you had with the CIO, or some other proposed union?

The WITNESS. No, sir.

The COURT. Did he pay you \$2,000?

The WITNESS. No, sir; he didn't pay me, and I never asked him for no money.

The COURT. Did you ask him?

The WITNESS. No, by God, you bring him in here and let me tell him—let him tell me he did that.

(Discussion off the record.)

(Intermission.)

11:05 p. m.

EUGENE C. JAMES, having been previously duly sworn, was recalled, examined, and testified further, as follows:

The COURT. Mr. James, you have just been held in contempt of court, and an order signed, and the Court has given you sixty days in the Wayne County Jail?

The WITNESS. That's right.

The COURT. Now, I understand that you now want to purge yourself of this contempt.

The WITNESS. What is the penalty for perjury? What will you give me for perjury if I admit I am lying? I don't want to go to jail for something that don't mean nothing to me. There is only one thing I lied about.

Mr. SCHEMANSKE. What is it, Mr. James?

The WITNESS. About that stock, that's all.

Mr. SCHEMANSKE. About the stock and what?

The WITNESS. Well, the Judge, he tells me here I am going anyway. If I am going anyhow, if there is some way I can rectify the wrong without being penalized for it, I am willing to do it.

The COURT. That is only one small angle of your testimony. I think you had better go.

The WITNESS. Sir?

The COURT. You had better accompany the officers tonight, and I will give you an opportunity to arrange for your family. You give this thing some serious thought.

The WITNESS. Judge——

The COURT. Now, that is only one small angle of this case.

The WITNESS. All right, sir. I will go to jail.

The COURT. You give it some thought, and we will be busy all day tomorrow here.

The WITNESS. All right, sir. I will go to jail.

The COURT. And Sunday there will be no court.

The WITNESS. All right, sir.

The COURT. Monday afternoon.

The WITNESS. I will stay there, I will still be in jail, Judge.

The COURT. You can notify the officer.

The WITNESS. I will never notify him after I leave here, Judge, because there is only one thing I can tell the truth and straighten up. If you want it, I am willing to give it to you.

The COURT. That is not the answer.

The WITNESS. That's the way I feel.

The COURT. You will have to purge yourself further than that.

The WITNESS. I cannot purge myself.

The COURT. Very well, follow an officer.

The WITNESS. That's all I can tell you and tell the truth.

The COURT. All right.

(Intermission.)

11:25 p. m.

The COURT. Mr. James, yesterday, we held these proceedings all day and until after four o'clock this morning, and we have been in session since noon today, up to the time I sentenced you, which was eleven P. M. Now, after sentencing you, you were given permission to go with the officers and make arrangements for your family and then you notified me you would like to purge yourself, and in reference to the stock deal in the Marquette Distributing Company, is it?

The WITNESS. Yes.

The COURT. Now, that is only one small phase of the matter before me, upon which I reviewed your case, and ultimately held you in contempt of court. To give you a chance to purge yourself, we will practically have to retrace the entire examination, which we held over many hours today with you, and it is now 11:30 Friday night, and we have a very heavy day tomorrow, beginning at 10 o'clock, on the Hamtramck investigation. So, in deference to not only you, but to the Court itself and the assistants, there is no time right now to review your case, because we wouldn't get through then by six o'clock tomorrow morning, but I will give you, on the next court day, which will be Monday, because tomorrow is not a court day, however, I am holding a Grand Jury session tomorrow, because of a complication that has recently arisen in Hamtramck, and Monday morning I have some court duties to perform; but Monday afternoon you can notify the attendant at about two o'clock or any time after two, and we will hear you, you can come in here, that is if you wish to come and purge yourself.

The WITNESS. You have to send me to jail for the week end?

The COURT. You will be in jail over the week end, and you will have full opportunity to purge yourself. Remember when I swore you as a witness——

The WITNESS. Judge, let me say one thing, please.

The COURT. You remember this, and when I am through I will let you talk. When I swore you as a witness, I swore you to tell the truth, the whole truth, and nothing but the truth, and many times during the proceedings I notified you you were varying far from the beam, and to get back on it and tell the truth. Now, frankly, there is no personality involved here at all. It is your duty to tell the truth, the whole truth, and nothing but the truth, and it is my duty to give you a fair and impartial hearing. When we both have done what we should do, we both have discharged the duty we owe to each other and to the state.

The WITNESS. The reason I perjured myself on the stock, it was not for my personal gain, but if it is found out I do own stock in the company, the manufacturers, they will cancel out each man who owns stock in these companies, and they will lose their franchise, and it will all blow up. They will lose their investment in it. That's my reason for telling you that.

The COURT. Now, you see how far you varied from the beam. I told you that the matters here were secret.

THE WITNESS. I didn't hear that. You might have told me that, but I didn't hear that.

THE COURT. That doesn't get beyond the four walls of this room, even the officers out there don't know, and if the papers print anything, they don't get it from here, and as far as that is concerned, anything you state here about any deals you made or any stock you bought, and you bought the stock now, as I understand it, in your wife's name, at least you nominated her in order that it would not appear of record, so that the franchise might be canceled. Now, on that we had no quarrel. Your proposition was to tell the truth, and when you did tell the truth it would remain a secret grand-jury proceeding. And if, for example, you told us that you paid off certain moneys that were paid to you, paid other union agents, so far as these grand-jury proceedings are concerned, that's a sealed book.

THE WITNESS. I didn't know that.

THE COURT. We aren't here, as you ought to know, to abolish unionism as such. We have no quarrel with unions here. We are only involved here in trying to find out what crimes have been committed here, and investigate what rackets are going on and terminate them. We want to put an end to racketeering, whether in unionism, or whether it is in gangland.

THE WITNESS. That's the reason I misrepresented it, because everybody in it would lose everything they got if this gets to the public, they would be canceled right out tomorrow morning.

THE COURT. Mr. James, you can go to bed tonight and rest assured nobody will know anything about your holdings.

THE WITNESS. I am not going to go away. I will be here.

THE COURT. Well, I can't explain it any further. Your answers before this Court were contemptuous, Mr. James, and I am sorry to say so, but you come back Monday.

THE WITNESS. I didn't do anything wrong by telling you a little lie.

THE COURT. Well, that's the trouble. All right, that will be all.

THE WITNESS. Is that all?

THE COURT. Yes, that's all until Monday, if you want to come back at that time. (Witness excused.)

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a one-man Grand Jury, at 1974 National Bank Building, in the city of Detroit, Michigan, on Tuesday, September 17, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Frank G. Schemanske, Chief Assistant Prosecuting Attorney; Mr. Ralph Garber, Assistant Prosecuting Attorney; Mr. Samuel L. Travis, Special Assistant Prosecuting Attorney.

Reported by: Margaret Cameron, Reporter.

PROPOSIS AVIEWS, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your name?—A. Proposis AvIEWS.

Q. Where do you live?—A. 604, next door.

Q. 604, what?—A. West Jefferson, next door.

Q. You have a place of business?—A. 600, Jefferson Cafe.

Q. What is it?—A. 600.

Q. 600 Jefferson?—A. West Jefferson, restaurant and beer garden, beer and wine and restaurant.

Q. Restaurant and beer garden?—A. Yes.

Q. Do you have a juke box in there?—A. Yes.

Q. Who put it in?—A. This Marquette.

Q. Marquette?—A. Yes, sir, yes.

Q. How long has the juke box been there?—A. About a year.

The COURT. How long have you been there?

The WITNESS. A year and a half, two years—a year and a half, something like that.

By Mr. GARBER:

Q. Now, what kind of box is it?—A. It's Wurlitzer, what you call Wurlitzer.

The COURT. A new one?

The WITNESS. No, old one.

The COURT. Hold old?

The WITNESS. I think 1940, something like that—1939, '40, something like that.

By Mr. GARBER:

Q. What deal do you have with Marquette Music Company about the money?—A. They say to me they take \$3.

Q. How much are you supposed to get, fifty-fifty?—A. Fifty-fifty. They open the machine, take \$3. They open machine, count the money, \$43. They take \$3 for labor, for union labor.

Q. For a union label?—A. \$1.50 for me, \$1.50 for this fellow. After what's left, half and half.

Q. Let's go over that a little slower. You answer my questions. You have a machine in there you are supposed to get fifty-fifty, half?—A. Yes.

The COURT. He owns the machine?

The WITNESS. No.

By Mr. GARBER:

Q. Marquette Music Company owns the machine?—A. Yes.

Q. You own the spot?—A. Own the building, yes.

Q. Your deal with Marquette Music Company is to get half—Marquette Music Company is to get half, you get half.—A. The first time come to me, take \$3 for expenses.

Q. We will get to that, but the deal originally was you were to get half, Marquette Music Company was to get half?—A. Yes, sir.

Q. So, when the man came to collect the money, he took out \$3, then divided what was left fifty-fifty, is that right?—A. Yes.

Q. What did he tell you he took the \$3 for?—A. Tell me for labor.

Q. For a label?—A. Any time I call him up, night time, two o'clock, three o'clock, come fix the machine.

Q. What is this label business?—A. To fix the machine.

Q. Label or labor?—A. Fix the machine.

The COURT. Labor.

The WITNESS. The machine stop, I call him up. He fix the machine. This money go for this fellow, that's all.

By Mr. GARBER:

Q. You have to pay \$3 a week?—A. Yes.

Q. And they come any time anything happens?—A. Any time call up, for five minutes, come and fix the machine.

Q. It isn't a union label, a little piece of paper they put on?—A. The machine got union label.

Q. Do you pay for that?—A. No, the man come collect every month.

Q. How often does he come to fix the machine?—A. Any time I call.

Q. How many times has he come in the last year?—A. Three or four times. Sometimes a fellow put a crooked nickel.

Q. But every time he collects he takes \$3?—A. No, I no pay this fellow. This fellow collects money.

Q. Yes, the man that comes.—A. He take \$3 for the machine—for the man that fix the machine.

Q. Does he do that every week?—A. Every week, yes.

Q. So he collects \$156 a year to fix the machine.—A. Labor, I don't know what.

Q. Now, how long has he been taking \$3 every week?—A. The time I got the machine.

Q. A year?—A. A year, something like that.

Q. So in the last year he has collected \$3 every week?—A. Every week, yes, for the machine.

Q. That's supposed to pay to fix the machine?—A. Yes.

The COURT. If he doesn't fix the machine, he's that much to the good.

By Mr. GARBNER:

Q. If the machine didn't break down—A. Put new label—every month puts new label.

Q. A new label?—A. Every month, new label.

Q. Do you pay to belong to the union?—A. No.

Q. Do you belong to the union?—A. No, no.

Q. You just own the restaurant?—A. Own the restaurant.

Q. You don't own the machine?—A. No, no, don't own nothing.

The COURT. How much money does the machine produce every week?

The WITNESS. It's right over here—sometimes \$20, sometimes \$10.

(Thereupon, a document was marked Grand Jury Exhibit 105 by the Reporter.)

By Mr. GARBNER:

Q. Now, I show you this Grand Jury Exhibit 105, and ask you if that's what you got from the man that collected the money?—A. Yes.

Q. That says Marquette Music Company, Machine S16, Model S00, is dated September 13, this year.—A. Yes.

Q. The total amount in the machine was \$17.85.—A. Yes, sir.

Q. They gave you \$7.45.—A. Yes, sir.

Q. And they took \$10.40.—A. Yes, sir.

Q. Is that right?—A. Yes, sir.

Q. And it's signed by a man by the name of Jim.—A. Signed his name.

Q. Do you know Jim's last name?—A. No. You know, this fellow got to collect the money.

Q. They don't allow you anything for the electricity to run that?—A. No.

Q. You pay for that?—A. Yes.

The COURT. How much did it cost you?

The WITNESS. Sometimes play machine you use lot of electricity. Sometimes don't play machine, not much electric. You know, got lots of machines, ice machine.

The COURT. How many places have you got machines in?

The WITNESS. I got one, that's all.

The COURT. You own that building?

The WITNESS. Yes, your Honor.

The COURT. What kind of building?

The WITNESS. Upstairs, got 30 rooms, downstairs hotel. Three years ago I buy this building.

By Mr. GARBNER:

Q. Did you pay for it?—A. Yes.

Q. How much did you pay for it?—A. \$10,000.

Q. How much do you owe now on it?—A. Owe nothing.

Q. How much does it return every month?—A. Oh, I don't know. See, don't use it much—no beer.

Q. How much do you get from the rooms?—A. Cheap rooms, got 30 rooms—sometimes 20 rooms, 15 days.

Q. How much do you get a day for a room?—A. No day, just week.

Q. How much a week?—A. Two, two and a half, three is high.

The COURT. Have you got stores downstairs?

The WITNESS. No stores, just beer garden.

The COURT. Do you run that?

The WITNESS. Yes.

The COURT. Yourself?

The WITNESS. Yes, and wife.

The COURT. You have 30 rooms and a beer garden, and you live upstairs?

The WITNESS. Next door.

Mr. GARBNER. The same building?

The WITNESS. Another building.

Mr. GARBNER. Do you own that building?

The WITNESS. No; pay \$30 rent.

Mr. GARBNER. Do you own that building?

The WITNESS. No; pay \$30 rent.

The COURT. How much do you owe on your own building?

The WITNESS. Don't owe nothing.

The COURT. You have a clear title?



The WITNESS. Yes; see, my wife and I work. She help me.

The COURT. Where were you born?

The WITNESS. In Turkey.

The COURT. What part of Turkey?

The WITNESS. Brusia, far away.

The COURT. When were you born, what year?

The WITNESS. 1898, something like that. 1898, I think.

Mr. GARBER. How old are you?

The WITNESS. 52.

The COURT. You were born in 1894.

The WITNESS. I been in the army in this country.

The COURT. In this army?

The WITNESS. No, the last. I am too old now.

The COURT. The first war?

The WITNESS. Yes, first war, 1918.

The COURT. Where did you serve?

The WITNESS. In Georgia.

The COURT. In the infantry?

The WITNESS. No, machine gun.

The COURT. You never went overseas?

The WITNESS. No, by the time I go overseas, the war is over.

The COURT. Do you have any children?

The WITNESS. Yes, two boys, one girl.

The COURT. How old are the boys?

The WITNESS. One boy seventeen, the other fifteen. The girl married a year ago.

The COURT. How old is she?

The WITNESS. 19—20.

The COURT. She got married when she was 19?

The WITNESS. Yes.

The COURT. One boy is seventeen, and the girl is 15 at home?

The WITNESS. No; I got a girl 19, 20 years, one boy 17, another 15. I marry 1927—no 1926, in Greece, I married.

The COURT. What?

The WITNESS. I went down to Greece, marry, take my wife and come back.

The COURT. All right, that's all.

(Witness excused.)

3:45 p. m.

PHILIP CAMILL, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name?—A. Philip Camill.

Q. Where do you live?—A. 4132 Bagley.

Q. Do you own a place of business?—A. Yes, sir.

Q. Where is your place of business?—A. 467 Abbott Bar.

Q. And is that in the city of Detroit?—A. Yes; corner of First and Michigan.

Q. Now, do you have a jukebox in there?—A. Yes, sir.

Q. Do you know whose jukebox it is?—A. Well, I know his first name. I don't know the second name. Probably you got his name in there.

Q. But do you know the name of the company?—A. No; I don't know.

Q. How long have you had that jukebox in there?—A. Oh, I guess I had it close to seven, eight years—not in this place. I used to be at Third and Abbott Bar, and I moved from there last year, and I still got the same company.

Q. Is it the same machine?—A. No; they change it every now and then.

Q. They change it?—A. They change it sometimes.

Q. How much are you supposed to receive from the machine?—A. Well, it all depends how much money they put in.

Q. Are you supposed to get half of the money?—A. Before they used to take the first \$5, you know, for his expenses, something like that, and then we split the money. Now, he splits the money, and they take \$5 out of my money.

Q. What for?—A. Well, he says on account of union stuff, like that.

Q. What did he say about the union?—A. Well, he say we have to pay the union dues, something like that. Before, used to get \$5—get \$2 apiece. It costs me two and a half. Now, \$5 comes off from my money.

Q. He says you have to pay the \$5?—A. Yes; he says we are on the union now. He don't say he pays \$5—"we are on the union now. That's what we have to charge."

Q. Can you find out what's the name of the music company you do business with?—A. Sure, sure.

Q. Will you do that and let me know?—A. Give me the telephone number and I will call you up.

Q. I will, before you leave.

(Thereupon, a document was marked "Grand Jury Exhibit 106," by the Reporter.)

By Mr. GARBER:

Q. Now, I will show you this slip marked "Grand Jury Exhibit 106." This is your address, 467 Abbott?—A. 467 Abbott.

Q. That's September 13 of this year?—A. Yes.

Q. Your machine had \$40.40 in it?—A. Yes.

Q. Your commission was \$20.20.—A. Yes.

Q. Then he takes a service charge of \$5 away, so you got \$15.20.—A. That's right.

Q. And he got \$25.20, is that right?—A. That's right.

Q. And whose name is that?—A. Louis—that's some—

Q. Collector?—A. Yes, collector working for him.

Q. You don't know what you were paying this \$5 for?—A. I don't know. First, he tell me union stuff, like that.

Q. But they do take that out every week?—A. Yes, every week.

Q. How long have they been taking that \$5?—A. Well, been over a year and a half—wait a minute—this year and some part of last year. I don't remember exactly, but all this year they charge \$5 and some part of last year.

Q. How often do you have the machine serviced?—A. It all depends. I have them three times a week; sometimes I don't have them for six months. It all depends how it goes.

Q. Regardless whether you have them there for service or not, they take out \$5?—A. They take out \$5.

Q. Who told you it had to do with the union they took out the \$5?—A. Some fellow working for them, working for that company, you know. Not the boss in person—some other fellow.

Q. The man that collects the money?—A. The man that repair and collect the money, you know, he told me he had to collect \$5 of my money. I told him, "Why don't you take the first \$5 and we split it?" He said, "On account of the union, we can't do that."

Q. You don't know what happens to the money?—A. I don't know where the money goes.

Mr. GARBER. Anything further, Judge?

The COURT. No; I guess not. How many machines have you got?

The WITNESS. One machine.

The COURT. What kind?

The WITNESS. It's a Wurlitzer, I guess, Wurlitzer machine. I think it's a Wurlitzer.

By Mr. GARBER:

Q. You remember the name of the company now?—A. Modern Music Company.

Mr. GARBER. I think that's all at this time.

The WITNESS. I think that's the name of the company, Modern Music.

Mr. GARBER. All right.

(Witness excused.)

ANTHONY SIROCUSE, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

Q. Will you state your full name?—A. Anthony Sirocuse.

Q. What nationality is that?—A. Italian.

Q. Where do you live, Mr. Sirocuse?—A. 6648 Theisen, Dearborn.

Q. And what has been your business?—A. Coin phonographs, coin-control phonographs.

Q. How long have you been in that business? A. 27 years.

Q. As I understand it, you are no longer in business?—A. That's right.

The COURT. How old are you?

The WITNESS. I am 47.

By Mr. MOLL:

Q. Now, you sold out your route and your machines around the 8th of June of this year?—A. That's right.

Q. And prior to that time you had acted as—A. Vice president.

Q. No; I mean you had acted as an operator?—A. That's right.

Q. Were you also a distributor?—A. No.

Q. Now, an operator buys his own machines from a distributor?—A. That's right.

Q. Places them in various locations?—A. That's right.

Q. On a percentage basis generally?—A. That's right.

Q. And as an operator you did not act as a distributor?—A. That's right.

Q. What machines did you operate for the most part?—A. Well, I had a mixture of everything in the business.

Q. Was there any particular reason for that?—A. Well, that's the best way of operating this business, to have a mixture of everything, so that you can satisfy the taste of any of your customers that may like one or the other.

Q. Why is that? What is the difference in the machines, tone?—A. Well, some of them is tone, some of them are a bit on the high side, some of them are a bit on the low side, and some of them are like a bassy tone, others like a high-pitched tone. Then again, there's looks, appearance that some people may like better than others.

Q. Are they standard so far as the number of records played?—A. No; they vary.

Q. From what number to what number?—A. Oh, some of the old machines from 12 to the later type of machines to 24.

The COURT. What do you mean, 12 and 24?

The WITNESS. Some type of machines have 12 records, some 24.

By Mr. MOLL:

Q. Under what name did you operate the business?—A. Gunn Music.

Q. G-u-n-u?—A. G-u-n-u.

The COURT. Where was that located?

The WITNESS. In Dearborn.

By Mr. MOLL:

Q. That's your residence address?—A. That's right.

Q. Now, were you a member of the Michigan Automatic Phonograph Owners Association?—A. Yes, sir.

Q. Now, that association came into existence early in January of last year, 1945?—A. That's right.

Q. Were you an officer of the association?—A. I was.

Q. Vice president?—A. Vice president, that's right.

Q. Now, what was the history of the association? How did it come to be organized and what was its purpose?—A. Well, the purpose of the organization is to adopt some kind of a fair-trade practice amongst the members, to make the business cleaner and to be able to operate at anything like a fair profit.

Q. What were some of the difficulties that the business encountered before the association was organized?—A. Well, it was more of a cut-throat competition. People made large investments for new machines and they found themselves forced to do business under cost, through unethical practices on the part of the people in the trade.

Q. What were some of them, what were some of these unethical practices?—A. Well, such things as going into a location and offering their machines for a week, two weeks or a month for nothing and by giving—

Q. That is, where an operator offers a businessman or a spot owner the use of a machine?—A. And give him everything that's in it for a month or two. I have known cases away back, where they were giving as high as two months.

Q. And did they ever pay a bonus to spot a machine?—A. Oh, yes, they used to do that. They go in and say, "Well, if you throw this fellow out, it's worth \$100 to me, \$200 to me," to get the other fellow out, and then come in with their machine.

Q. Well, then, that's known as spot jumping, isn't it?—A. I would say yes, it is.

Q. And what were some of the other vicious practices you had to overcome?—A. Well, the purpose of the organization was also because we had CIO unions in the picture, and we had AFL unions in the picture, fighting for the membership of the men servicing the machines, and things like that, and we were put right in the middle, but we would agree in good faith with one, and first thing you would know some of the group would join some other union, and then they would come in, and the other group would want to negotiate the contract with other operators that already had an agreement with the opposite union, and things like that. We thought that was too much for the operator to contend with.

Q. Well, now, during the year 1944, say, during the year just prior to the organization of the association, were the operators troubled by the different unions?—A. Yes, there was two—in 1944, I think that was the year when there was—the operator had to jump—we had an agreement first with the CIO, and then the pressure was too great on the other side, so we—because our men shifted membership—then when the majority went the other way, we had to take another agreement with the opposite union, which was the AFL, and we were always in a turmoil.

Q. Take yourself, for instance, did you sign a CIO contract in 1944?—A. Yes.

Q. Do you remember who the business agent was?—A. In 1944, I think it was Neil Holland.

Q. Holland?—A. Holland.

Q. Do you remember the local?—A. No; I don't.

Q. Do you remember where the office of the union was?—A. Well, this Holland man started with the AFL, rather, the CIO. He was business agent for the CIO, and he himself shifted to the AFL, and carried this local down there, and then we had to negotiate another contract with him with the AFL.

Q. All during 1944?—A. That was in 1944.

Q. So having signed a contract in 1944 with the CIO when Holland left the CIO and joined the AFL, you had to sign another contract with the AFL.—A. I believe that's the way it was.

Q. Do you remember the terms of those union agreements?—A. No; I don't.

Q. For instance, what did you have to pay the CIO for union membership?—A. Well, I believe it was based on the—let's see, I believe it was based on the amounts of the machines the men serviced, similar to this, but I don't believe the amount was as large as this.

Q. Well, there was some base?—A. Some base, yes.

Q. Some base charge. Would you say fifty, sixty cents a month?—A. I don't believe it was that high. I believe it was under the fifty-cent mark—maybe about 35 cents, I believe it was based on.

Q. How was that 35 cents or whatever it was, exacted from the operators?—A. Well, it was on the checkoff principle, that we—there was, I believe, a maximum with the agreement, and if the man, say, took care of so many machines, we were to deduct so much off his wages, and turn it over to the union.

Q. Well, let's see if we can work that out. Now, you paid dues in the CIO for, we will say, collectors and mechanics, right?—A. That's right.

Q. How much dues did you pay for the collectors?—A. I don't remember the exact amount.

Q. Well, can you give it to us as nearly as possible?—A. Well, I believe, Mr. Moll, it was based on around 35 or 40 cents, something like that and each one of the men—now, I had 108 machines, but I don't remember just the amount of machines I had at that time. If I did, I could give you the exact figures.

Q. Take a round figure of 50 machines.—A. Yes; 50 machines.

Q. So, say, you had one man collecting from 50 machines, what would his dues to the union be?—A. I believe that was based on 35, 38 cents, something like that. I wouldn't be sure of that figure.

The COURT. For each machine?

The WITNESS. For each machine.

By Mr. MOLL:

Q. So, taking 35 cents for the figure, per machine, and 50 machines, would be \$17.50 a month union dues, is that right?—A. In that neighborhood.

Q. Now, how about mechanics?—A. Well, I didn't have any mechanics then, either. I took care of my own.

Q. Then, would you have to join the CIO yourself?—A. Yes.

Q. How were yours fixed?—A. Mine were fixed on the assumption I took care of, oh, at least a certain amount of machines, say, at least half the machines I owned, because I did avail myself of a little extra help of other mechanics not connected with us, when I had too much, so we based it on the same rates as the collector, but they made a deduction of a certain amount, say, half they charged, say, fifty times the amount they charged per unit.

Q. Let's just carry on our assumption you had 50 machines out.—A. That's right.

Q. Which you yourself maintained mechanically?—A. That's right.

Q. You would pay the union how much a month?—A. Well, that would be on the basis of 35 cents apiece.

Q. Another \$17.50?—A. For the 50, just about.

Q. For both mechanics and collectors?—A. Those figures are not accurate figures. They are just close figures, you know, estimated figures.

Q. So, then, under the CIO contract, if you had 50 machines out, one collector servicing 50 machines, you maintaining the 50 machines, you would have to pay the CIO \$17.50 plus \$17.50, or \$35 a month?—A. That's right.

Q. Is that correct?—A. Yes.

Q. And the dues would go up proportionately?—A. That's right.

Q. Now, when the AFL stepped in the picture in 1944, was the arrangement changed?—A. I believe they stayed just about the same.

Q. Well, then, having been a member of the CIO, did you also have to join the AFL?—A. We had to do the same thing.

Q. And then when you started paying dues to the AFL, did you still have to pay dues to the CIO?—A. Not until—you mean, that we had to pay to both?

Q. Yes.—A. No.

Q. You never did?—A. No.

Q. One union took over from the other?—A. It was the union that shifted from its affiliation, from the CIO to the AFL.

Q. Now, did the CIO ever attempt to get back in the field?—A. Yes, they did.

Q. When?—A. Immediately.

Q. Was there any trouble?—A. There was a little friction there.

Q. How was that indicated?—A. Well, amongst the business agents themselves.

Q. Well, how did they take it out on the operators or the spot owners?—A. Oh, well, some of the people in the CIO found out the unit was no longer affiliated with them, and, oh, I guess they went around to locations and told them, this is a scab machine, so on and so forth, you know.

Q. Well, now, that's a part of the necessity in your mind for organizing an association?—A. That's right.

Q. Now, before 1944, had you had any union trouble similar to the trouble in 1944?—A. Yes, there was trouble as far back as 1940.

Q. Was that with the union?—A. Yes.

Q. How was it evidenced?—A. Well, at that time our men were into the CIO, and the AFL unit organized. Then they started scrapping amongst themselves, and then the CIO won out, and the AFL dropped out, and then they went ahead and went along for a little while in good shape, and then this other thing happened, and there was a little trouble here and there, and 1933 and '34 this switch-over that we have.

Q. 1944?—A. There's always been friction so far as the union was concerned. One union would come into the picture and the other union would want to come into it, and nose out the other union, and we seen every time they did, that we were the victims of it, because there were contracts to negotiate. We didn't know whether we were coming or going. The men would get dissatisfied with one, and the other men would be dissatisfied with the other. There was always a turmoil. Nothing ever serious, but enough to keep you off balance all time.

Q. Were the operators called on to pay any money to the unions?—A. No, none other than what the contract called for, so far as the man was concerned.

Q. Well, was there any such thing as a union payoff? Let's put it that way. You understand what I mean.—A. You mean—

Q. In the early history of the union.—A. From the operator to the union.

Q. Yes.—A. Not to my knowledge.

Q. Did they ask you for one?—A. I was never asked for it.

Q. Did you ever hear the operators were asked?—A. No, I never heard of it.

Q. Well, did the unions attempt to levy a tribute on these machines?—A. In what way do you mean?

Q. Well, in any way.—A. You mean, other than the dues that the contract called for?

Q. Didn't they practically license you in putting a machine in a place?—A. No.

Q. What?—A. No.

Q. Other than the dues?—A. That's all.

Q. So up until 1945, then, you never paid more than 70 cents per machine per location, per month, did you?—A. That's right.

Q. What?—A. That's right.

The COURT. Seventy—thirty-five, wasn't it?

Mr. MOLL. Seventy to the union.

The WITNESS. That was the union. The early unions was around 30, 35, 38 cents.

By Mr. MOLL:

Q. So really the highest price you ever paid, per machine was after 1945?—  
A. That's right.

Q. Under the present union?—A. That's right.

Q. Is that right?—A. That's right.

Q. Now, what preparation did you make for the organization of the association? What was done before the association was organized?—A. You mean—

Q. The operators.—A. What did the operators do before the organization was organized?

Q. Yes, sir; I mean to bring it about.—A. Well, the old organization sort of kept things in pretty fair shape, and so when we saw that the—we got some good out of it, but we didn't know too much about organization work, and we had some benefits in the way of adopting some fair trade practice, so when we saw the thing slipping, we felt that as long as that organization had accomplished some good, that we ought to do something about getting something or getting some advice from someone that had experience in organization work, to set one up that was better, because, although we had an organization and did some good, maybe to raising the level of the operation or the operators, we wasn't satisfied, that we were doing everything the way it should be, or we wasn't satisfied that it could be improved on, so as soon as the other one went by the wayside, then we decided to organize the other one almost immediately.

Q. Well, how did the other organization happen to go out the window?—A. Well, there was some trouble there between—that's when the friction developed between the union somehow and the sort of a business agent that we had, or manager, office manager that we had in the organization—none of us know too much about it—and this man was supposed to know something about organization, and the friction arose, that when this man at the union—after the change was made, I think they wanted to raise the dues, and we got into a negotiation and we couldn't get any place with it. Then the two agents, the business agent for the union, if I remember the thing correctly, the business man for the union, and the business manager in the association office got to quarreling about the necessity or unecessity of having this raise in the dues, and that's where the whole thing started.

Q. Now, who was the business manager for the old association?—A. Roy Small.

Q. Who?—A. A man by the name of Roy Small.

Q. Roy Small?—A. That's right.

Q. He represented the former association?—A. That's right.

Q. Was he affiliated with any union?—A. Not to my knowledge.

Q. How much did the association pay him?—A. That I really never knew.

Q. And his quarrel was with the AFL business representative?—A. Yes.

Q. Who was the AFL man?—A. Neil Holland.

Q. It was after he came out of the CIO?—A. That's right.

Q. Where is Small now, do you know?—A. The last I knew he was in Florida.

Q. Was the association satisfied with his services?—A. Well, I was myself. I don't know about the rest of the men, in general—the question about the likes and dislikes among people—there's like and dislikes for the best of people—and then some people got the worst of it, but I didn't see nothing wrong with him. I think he done some good for the business.

Q. Whatever became of Neil Holland?—A. I wouldn't know.

Q. What?—A. I wouldn't know. The last I knew he was in the Army.

Q. In the Army?—A. Yes.

Q. He went in sometime during the latter part of 1944?—A. That's right.

Q. When did you first meet James; Jimmy James?—A. I met Jimmy James first when he—the first time he approached us with a contract to—he wanted to negotiate a contract. He says he had most of the men signed up, and he thought that we should look over the contract, and he would like to enter negotiation with us.

Q. When was that, before or after the association was organized?—A. That was after—wait a minute. I met him the first time before—after the other union and association went by the wayside, while we were thinking of setting up a new association, Jimmy James approached us then.

Q. Yes. That was before January?—A. Before it was organized.

Q. Of 1945?—A. That's right, but we didn't get any place with him then, because we didn't know where we were going, didn't know what we wanted to do or how.

Q. How did James approach you?—A. Well, I believe he got in touch with one of the other members. Then he came up to the negotiation to tell us about this contract, and that he had a majority of the men in the trade signed up, and would like to open up negotiations with us.

Q. Do you remember who introduced you to James?—A. No; I don't.

Q. You remember where you first met him?—A. I believe that's the first place I met him.

Q. Where?—A. Right in the association office.

Q. Where was that?—A. In the Maccabees Building.

Q. Was that the office of the old association or the new?—A. No; the new association.

Q. But you met him before the association was formed?—A. That's right.

Q. And you had the nucleus of an association, of this new association?—A. Well, we still had the old office. We were still meeting there.

Q. I see. And the new association carried on the old office, is that right?—A. That's right.

Q. Now, do you remember what month in 1944 it was you met James?—A. No; I don't remember that.

Q. Well, was it late fall?—A. It might have been.

Q. Several months before the new association was formed?—A. Yes.

Q. Did he make any suggestions to you?—A. Oh, just about about what—just about what he had in the contract?

Q. Now, think of this question, will you? Isn't it true that some of your operators first called James in to ask him to organize a new union, isn't that true?—A. Let me see.

Q. Just to refresh your recollection, and didn't he tell you he didn't know anything about the music business, he didn't know whether he wanted to take it on or not?—A. Well, at the time he approached us he said he was in some other union.

Q. He was in the laundry workers?—A. Yes; he was in the laundry workers. He said at the time that he thought from all the bouncing around we had, he could—he thought that he could—I am trying to get these things together, this is so far back now. I believe he did say he wasn't sure whether he would be interested in going through with it, but if he thought that he—that if he saw that he could do us some good, he would take it over; if not, he would stay with what he had. And the reason why he didn't get too far at the time, was we were also thinking of trying to do without it, and one of the times he said that he thought the union in our business, without our men, would establish some kind of industrial peace into that industry, because he thought that we were bounced around so much, he thought he could handle those men; the men, he thought, needed a leader that would keep them contented to the point of seeing when they were making enough money, and not be forever negotiating contracts, asking more money, more money, regardless of how much they were making, but he says at that time he still wasn't sure whether he wanted to go ahead with it or not, it all depends on what kind of contract the operators would agree on. At the time, also, if I remember right, he said if he could get anything like a fair labor contract—

The COURT. Who is talking, James?

The WITNESS. James—he wanted it, but it would have to be strictly a labor contract.

By Mr. MOLL:

Q. Now, as I understand it, in 1944 the operators were in the middle.—A. That's right.

Q. And you were torn between trying to get along without a union at all, is that right?—A. That's right.

Q. And the idea of getting into the field a union that was more or less friendly, that you could deal with.—A. A union that would keep the men, at least, like if they were making any kind of a wage, even the available wage or more, that they wouldn't be forever after us for a new contract, for more wages, more wages regardless what their rate was, because as it was then the men were getting anywhere from \$10 to \$15 a week more than the available wage in this area.

Q. When you speak of the men, you mean collectors?—A. Yes.

Q. And mechanics?—A. And mechanics, that's right.

Q. What would the average collector get?—A. At that time, or now?

Q. In 1944.—A. In 1944, the average collector would make \$60, \$65.

Q. And the average maintenance mechanic?—A. About \$75.

Q. What do they make now?—A. Well, now, they, for the last two or three years, the men have made as high as—I can tell you about my case. I had a man who at that time used to make \$60, \$65, \$70 a week. After that, business conditions got better, too, and he got to making as high as \$125 and \$130. That was more money than I was making.

Q. And the mechanics also went up?—A. Yes; the mechanics—I didn't have mechanics, but the mechanics, most any mechanic today makes \$90, \$100, \$110, \$125.

Q. A week?—A. A week.

Q. So, going back to your original meeting with James, the question presented itself whether you would try to get along without a union or deal with a union you thought would give you some stability, right?—A. That's right.

Q. Now, you were concerned with wages and hours, working conditions of the employees, and you were also somewhat concerned with members of the—operators who wouldn't stay in line, is that right?—A. That's right.

Q. Were those problems discussed with James?—A. Which problem do you mean now?

Q. All of them—problems of your business.—A. Yes, those problems were discussed with James, especially where the problem—where the men got to a point that as long as they belong to the union they don't care how they treat the customer. We told him we had reached the saturation point on that, and if we went in and signed a contract with the union, that was one of the main points he would have to overcome. That was our biggest problem with the men in the union. After a while it got so we couldn't handle them; if a customer called us and we approached them on it, many times they would tell us where to get off at. We reached the saturation point on that, and it was one of the biggest points in our complaint.

Q. Did James say he could hold the members in line?—A. He said he felt he could, that it was a proper request, and he didn't see why anyone couldn't handle the men to make them treat the customers right.

Q. How did he say he would do that?—A. Well, he didn't say.

Q. Would he do it himself, or with some assistance from other unions?—A. Well, he didn't say that. I took it maybe—this was taken for granted—maybe he would call his men in and school them—when there was a complaint of that kind, he would call the men in and tell the men just because they belonged to a union they couldn't go out and mistreat the customers, because the union wasn't going to stand behind them.

Q. Did you also discuss with James the activities of some of the operators?—A. What do you mean?

Q. Well, some of these practices that some of the outlaw operators were indulging in.—A. Well, we discussed with him only the—we discussed with him the activity of the operators, so he said to us that was strictly an association matter, we would have to handle our own operators.

Q. Now, did James make any suggestion to you as to how to proceed?—A. No; he didn't.

Q. Did he suggest the trip to Cleveland?—A. No.

Q. Who did?—A. The trip to Cleveland was agreed upon by a small group of men, including myself, and the purpose of that was to get the bylaws of another organization that was noted, because we have been reading about it in the Trade Journals, that was somewhat successful, and that they were supposed to have some kind of industrial peace over there, because of having a good association with bylaws, and a code of ethics, and that included a fair-trade practice, that everybody was happy with, so we wanted to see what that was.

Q. So you went to Cleveland, some of you?—A. That's right.

Q. Who made the first trip?—A. I was in one of the first trips.

Q. Along with whom?—A. I believe it was—

Q. DeSchryster?—A. Mr. Brilliant was there, Mr. DeSchryster was there, and myself, and a fellow by the name of Al Schweitzer.

Q. Patton?—A. Patton—let's see. Mr. Patton—I don't believe Mr. Patton was with us that first trip.

Q. Any more you can think of?—A. I think there was only the four of us. Of course, that's quite some time back. I don't quite remember.

Q. Yes, I know. Where did you stay?—A. We stayed at the hotel there.

Q. Which one?—A. I don't remember the name of that hotel.

Q. The Statler?—A. What's the name?

Q. The Statler?—A. No; it wasn't the Statler.

Q. The Hollenden?—A. I believe it was the Hollenden.



Q. The Hollenden Hotel.—A. I believe it was the Hollenden.

The COURT. An old hotel?

The WITNESS. It's an old hotel.

The COURT. A new hotel?

The WITNESS. No; it's an old hotel.

The COURT. Where were you, at Cleveland?

The WITNESS. I am not sure of the name of it.

The COURT. You were in Cleveland?

The WITNESS. Yes.

The COURT. The Hollenden is an old hotel down there.

By Mr. MOLL:

Q. Well, that was in what month, do you remember? Was it before or after Christmas of 1944?—A. No; I think it was—it must have been around January sometime, the early part of January.

Q. Of 1945?—A. Yes. Maybe it was—no—yes, 1945.

Q. You all stayed at the same hotel?—A. Yes.

Q. Now, whom did you meet in Cleveland in connection with the Cleveland set-up?—A. We were supposed to meet—the man we went there to see was supposed to be Mr. Dixon.

Q. He was president of the Cleveland, Ohio, association?—A. That's right.

Q. And through Dixon did you meet Presser?—A. Here's the way it was. Mr. Dixon had been taken to a hospital for an operation, and he couldn't meet us then—it was some emergency or something—and this Mr. Presser came up there to tell us Mr. Dixon had been taken to the hospital.

Q. What discussion did you have with Presser?—A. Well, Mr. Presser wouldn't discuss any part of the association. He says that was up to Dixon. Mr. Dixon knew about the association himself, and he says he wasn't prepared to make any suggestions or answers, in any way, shape, or form, about the association, because he didn't know much about the association.

Q. Did he talk about the union?—A. He says that he—he says the only thing I can tell you, he says, is that the set-up had a labor contract with the union, and aside from union affairs, he says, I couldn't give you any other information, because, he says, I don't know how they work their own organization internally, and he told us at that time that we would have to wait till Mr. Dixon come out.

Q. Later, did you meet with Dixon and Presser?—A. We did.

Q. At Cleveland?—A. No, here in Detroit.

Q. Did you ever meet with the two of them in Cleveland?—A. No.

Q. Did you just make one trip to Cleveland?—A. I made only one.

Q. And how long were you there?—A. Just over night.

Q. Did Presser make any deal with you at that time, charge you for his services?—A. No. At that time, to my knowledge, there was no definite deal, though he said that if it was necessary—he says it was desirable for any association, in order to function properly and free from all these labor troubles, that the association should have a contract with a good union.

Q. Meaning the AFL?—A. Meaning—I don't know which union he meant.

Q. Well, he was an AFL man.—A. He was an AFL man, and he said that if a contract was signed with a good union, that the term of one year would mean one year; he says that we had nothing to fear about this union and that union coming into the field, because, legally, he said, as long as we sign a contract with one good union, that wasn't one of those fly-by-night union set-ups, that can fade out of the picture over night and leave us stranded, and another union comes in, if it was a good union, established, run by somebody that would run it and keep it up, as long as we had that contract with that union no other union could infringe on that contract, and that was the essential part of having the contract with a good union.

The COURT. With a responsible union.

The WITNESS. With a responsible union, and he said at that time—he said that if it was decided that we want to go along with a union and sign a contract with the union, and if his service was needed here, he says, of course, I will not come to Detroit unless I get some compensation for it.

By Mr. MOLL:

Q. Was \$5,000 mentioned?—A. Not to my knowledge at that time, no.

Q. But later on it was?—A. Later on, we raised that money—I believe it was four or five thousand.

Q. Did James go to Cleveland with you?—A. No.

Q. At any time?—A. No time—not while I was there.

Q. Did you ever hear of James going to Cleveland?—A. Not to my knowledge.

Q. I say, did you hear of it?—A. Not to my knowledge. He might have been there, but not that I know of.

Q. Now, about the time you went to Cleveland, were you discussing here the formation of a new local by James?—A. Well, he had approached us before, like I mentioned it a little while ago, and at that time we didn't know whether we were coming or going, we were skeptical of all contracts of all unions, because we had none we ever signed that would last a full year without any renegotiation and troubles, so we were skeptical of any union man or any union, and we practically brushed him off then, because we had the intention of going on, on our own with just an association, and James came into the picture again, after we decided to sign the contract with the union.

Q. Do you know when he got the charter for the new local?—A. Well, I don't know for sure, but from hearsay, the charter was obtained before, when he claimed that he had most of the men signed up. He said he had most of the men, at the time he approached us, and told us he had most of the men signed up. He told us he had a charter for it.

Q. He had the charter before your Cleveland trip then?—A. He had the charter before the Cleveland trip. I am not sure. That's all hearsay.

Q. Well, that's right, that's the way it works out, but he hadn't attempted to sign up anybody?—A. You mean—

Q. On the operators.—A. On the operators, on the contract, no.

Q. Now, shortly after your trip to Cleveland, Presser and Dixon came to Detroit?—A. That's right.

Q. Where did they stay, do you remember?—A. I don't know where they stayed.

Q. They stayed here at a hotel. Do you remember which one it was?—A. I believe it was the Statler.

Q. You think it was the Statler?—A. I think it was the Statler.

Q. Did they come once or more than once?—A. Once that I know of—no, wait a minute. They came twice.

Q. They stayed at the Statler both times?—A. Yes.

Q. And how far apart were their trips?—A. You mean, after we got going or while we were talking the thing over. They made many trips. They made many trips here after we decided to copy their association.

Q. They came up, you say, twice in January?—A. I believe they came up more than that.

Q. They stayed at the Statler each time?—A. Yes.

Q. Was the subject of money discussed on the occasion of their first trip here?—A. I have never heard the money discussed while we were discussing the organization. Now, where the \$5,000 was set, and who by, I don't know. The only thing is, that I contributed my part as one of the group, of which I give, I believe, either five or six hundred.

Q. \$650?—A. \$650, something like that, but where the sum was set, or who by, I don't really know.

Q. Well, don't you remember that Presser, either at Cleveland or here in Detroit said he was going to charge you \$5,000 for his services?—A. Not in front of me. I never heard that.

Q. But he did intimate to you or did state to you—A. He would want compensation if he had to come here to help with the organization.

Q. So you don't know where the \$5,000 deal was hit on?—A. No, I don't know that.

Q. Now, who got this money together? It was DeSchryver, wasn't it?—A. DeSchryver.

Q. How did he do that?—A. Well, I was one of the original group that decided to get a good organization, and when we decided to go ahead with this, he said that we would need \$5,000 to compensate these men for their time and their experience in helping to organize the association, so I paid my share of it. It was that much, and I paid it.

Q. Now, Presser stated that sometime in the course of his conversation, that he would have to establish friendly relations with local unions, didn't he?

A. Well, in speaking of unions, Presser never wanted to talk unions to any of us, and, in fact, he made no suggestion or nothing to offer so far as the organization was concerned. Whenever we asked questions about a union, he said, in my presence that—he says that there is not a thing should concern

an organization. He always made it plain any time I was present the association should be separate at all times, and independent from a union. They should attend to their business, and the union attend to theirs.

Q. Right; but didn't he also say it would be necessary to have some strong union influence?—A. The only thing I heard him say, not exactly like that—the only thing I heard him say, what we needed was a reliable union that would write a contract and stick to it for the duration of that contract.

Q. He said you would have to have a few of the union leaders on your side?—A. Not to me—not to my knowledge, he didn't say that.

Q. Did he mention Hoffa's name?—A. Not to me.

Q. Did he mention Brennan's name?—A. Not to me.

Q. Did he mention any names?—A. Not to me at all.

Q. Whose influence would you have to have?—A. I would ask a question about the union, because I was somewhat skeptical. I would ask a question about a union, and he would always evade, because he didn't think it should be any of my concern the way the union worked, as long as it worked, conducted itself according to the contract we got; that's all we need to be concerned about.

Q. Now, to refresh your recollection, didn't he say at some time that a part of this money would have to be used to grease your way into Detroit?—A. Not to me.

Q. Did you ever hear that statement?—A. No; I never did.

Q. Now, some of the operators have testified to that; did you hear it?—A. I never heard it.

Q. Did you ever hear it said by Presser that you would have to have some good, strong union backing?—A. No.

Q. And that this money was going to be used in part to get that union backing?—A. I never heard him say that.

Q. Did you ever think that?—A. No. I was under the impression the \$5,000 was to compensate either him—I wasn't for sure who it was to compensate, whether to compensate him or Dixon, and it was to compensate either one or both for their time in trips, and knowledge, in coming here; that was my impression.

Q. That was quite a lot of money for the work they did, wasn't it?—A. Well, maybe it was.

The COURT. You were paying an attorney to draw up the papers, the organization papers?

The WITNESS. At that time we didn't have an attorney.

Mr. MR. MOLL:

Q. You hired Tommy LoCicero about that time?—A. At that time we didn't have an attorney.

The COURT. Your important thing was, you had so much misfortune with a union, you were angling all the time to get a good union.

The WITNESS. That's right.

The COURT. You mean to say, after going down to Cleveland and talking to these two Cleveland men in Detroit, you never got any concrete statement out of them in regard to the union here, what type of contract you were going to possess?

The WITNESS. I believe they made it clear, at least, Presser made it clear it would be the AFL, and he was speaking about the Electrical Workers.

The COURT. Did he mention the Teamsters?

The WITNESS. No.

The COURT. Now, just on this subject, I can show you from the union books, where Mrs. Hoffa and Mrs. Brennan went on the union payroll for a period of about one year.

Mr. TRAVIS. More than that.

By Mr. MOLL:

Q. A little longer than that, which would indicate that their influence was being used. Some of the operators say, in different language, that Presser told them it would be necessary to get good union backing here, it would be necessary to buy their way in. Now, I tell you these things to refresh your recollection. You can tell me what, if anything, in your own language, Presser said along those lines?—A. Isn't it possible too, that some of these men—

Q. Can you speak just a little louder?—A. Isn't it possible that some of these men misconstrued it, maybe, Presser's words, and assume—take it for granted that because some of the unions, maybe work that way, what he was going to get something shady into the picture.

Q. It might be. I don't think so, because I don't think the operators are, as a general rule, a bunch of saps, see.—A. Well, at any time, in any conversation that went on between myself and Presser, or at any time that I have heard any conversation between Presser and anybody else, I didn't construe his conversation to mean that, that there was going to be any money paid off to anybody here to get into anything. My impression was at all times that the union that would be entered into the thing would be a good, reliable union to make a contract, and make it stick, and at the time they were talking about the electrical workers, but we didn't wind up in that one, I don't know why.

Q. You didn't wind up in the electrical workers. You wound up in the Teamsters, or close to the Teamsters.—A. You mean, this local is a Teamsters local?

Q. Well, I don't know whether it is a Teamster affiliate or not, except that it carried on the payroll.—A. It may be—

Q. The wives of the two heads of the Teamsters Union.—A. It may be, it may be a charter of the Teamsters, something like that.

Mr. TRAVIS. A federal charter.

Mr. WATSON. No, it's an AFL charter straight.

The WITNESS. Isn't the Teamsters AFL?

Mr. WATSON. They are AFL also.

By Mr. MOLL:

Q. What would be your idea of why the local which entered into a contract with the association, should pay the wives of the two Teamster union heads a salary of \$100 a week?

The COURT. Or a total of about \$6,000, when they didn't do any work, bearing in mind before you answer that, this union man is coming up from Cleveland to help you organize here. He is in strange territory with local unions. What was he going to do? He was going to contact and see what he proposes to do meets with their approval.

The WITNESS. I don't know what to say about that.

By Mr. MOLL:

Q. What?—A. I wouldn't know what to say about that.

Q. Well, you would naturally suspect, wouldn't you, if you were in our place, that there was some pressure, at least, brought to bear, wouldn't you, by the Teamsters? Wouldn't that be a logical conclusion?—A. Well, if they are in there, there is something there someplace.

Q. Well, now, does that—bearing that in mind, does that help you to recollect any statements made by Presser in the early stages that some union strength would have to be bought or guaranteed?—A. No, not to my knowledge. He always harped on a good reliable union, one that would—one that could keep the men reasonably satisfied, and one that would be reliable enough to enter a contract, go through with it for the duration of the contract.

The COURT. What did he point out as a sample of a reliable union?

The WITNESS. Well, the one led by some good union men of reputation.

The COURT. What did he say, which one did he point out?

The WITNESS. At that time he didn't say.

By Mr. MOLL:

Q. Did he later say?—A. Well, at that time, then that's when James came into the picture, and he was supposed to have a charter.

The COURT. Well, were James and Presser talking together?

The WITNESS. I don't know.

By Mr. MOLL:

Q. Did you ever see them together?—A. No, I never did.

The COURT. Well, you paid over \$5,000 for what?

The WITNESS. Well, I don't know.

The COURT. Certainly you didn't pay it to him to take back to Cleveland?

The WITNESS. We paid really the \$5,000 for the advice of how to set up—what we were interested in was an association, and we paid him the \$5,000 to get any advice and any benefit of any experience that this Dixon might have had with the setting up of an organization.

The COURT. Your trouble wasn't with an association. Your trouble was misfortunes with the union. You are mixing the points here. Anybody could set up an association. What you wanted was a contact man with a union.

The WITNESS. See, Judge Murphy, when we went over there, we were still having in mind to try and go along to operate as an organization, as an association, and not with the union.

The COURT. It wouldn't do you a bit of good, would it, to get a lot of electric wires and make no contact in the socket, would it? If you had the wires already, you would have to have the socket to put the wires into and get the light. You were looking for some light on the situation?

The WITNESS. That's right.

The COURT. You went down to get some dope on the situation. They come up to visit you at the Statler Hotel, and after you made contact with the union, you paid the \$5,000 to them. What union did they mention to you at that time? We just told you Hoffa's wife was on the payroll.

The WITNESS. At that time, they hadn't contacted any union. At that time they were just talking about a union for a contract, a labor contract, and they were talking about the electric workers at the time we talked to them, and at the time we know we would have to compensate them for their advice and their services.

The COURT. All right. You met James. Did he tell you he was an electrical worker, that he represented the workers of an electrical outfit local?

The WITNESS. No, not the first time I met him. I knew he wasn't, but when he come back in the picture again, he come back in the picture because it was supposed to be this man already had a charter for the music maintenance workers for some union, and the electrical workers—I believe it was like this, the electrical workers couldn't take us in, because there was already a charter issued to somebody, and then I believe it was shifted to the man that had the charter, who, I believe, was James.

By Mr. MOLL:

Q. Did that union become an affiliate of the Teamsters?—A. I don't know.

Q. Did you ever hear the Teamsters mentioned?—A. No; I didn't.

Q. Did you remember Presser saying anything substantially to the effect that it would be necessary that a part of this money that he was going to charge be used to open the door to a union in Detroit?—A. Mr. Moll, even to this day, I don't know that Presser charged anything for his work, or if he got \$5,000, or if he got part of it, or what he was going to do with that money, or what he was going to give us for that money. When I went over there, he said he would have to be compensated for his trips, and his effort, if he had to come over here; but what extent I don't know. How somebody arrived at \$5,000, that I don't know, but that was my share and I paid it—that makes the \$5,000 through that—but I don't know who was going to get this money. I still don't know today if Presser got any money for this thing or Mr. Dixon or Presser got it all, or Mr. Dixon got it all.

Q. But you don't know who paid the money to Presser, if any was paid?—A. No; I don't.

Q. When it was paid?—A. I gave it to Mr. DeSchryver; who it was paid to or when, or if it was paid at all, I couldn't say.

Q. Now, your money was paid in the form of a check?—A. I believe so.

Q. On Gunn Music Company?—A. I believe so.

Q. Endorsed by you and later endorsed by DeSchryver; right?—A. I believe that's the way it was.

Q. Well, you have got the check back now, among your records; right?—A. If I paid him by check, I should have it.

Q. Do you know whether any checks were tendered to anybody in the union?—A. No, not to my knowledge.

Q. By DeSchryver or anybody else?—A. You mean to this Presser?

Q. Presser or anybody else?—A. Not that I know of.

Q. Did you ever hear that checks had been presented and refused?—A. Not to my knowledge.

The COURT. Do you know whether the \$5,000 was paid over to Presser in cash?

The WITNESS. That I don't know.

The COURT. Well, it was. Do you know why it was paid over in cash to him?

The WITNESS. No.

The COURT. If the deal was on the up-and-up, it wouldn't make much difference if it was cash or a check?

The WITNESS. That's right.

The COURT. If it was not on the up-and-up it would be a pretty wise thing to pay it in cash; wouldn't it?

The WITNESS. That's the way it was paid.

By Mr. MOLL:

Q. Why, in your opinion, did Presser and Dixon have to come to Detroit at all?—A. Well, there was a lot of things to go over. See, we got the bylaws and we wouldn't know how to interpret them; see, at that time we didn't have LoCicero, we didn't have anybody. We get a set of bylaws; we really don't know what they mean. One says one thing, and then it goes into another article, and we don't know what the score was, and we wanted to know what to do before we set up in a meeting and proceed. We wasn't interested in Presser. What we was interested in was Dixon. We wanted an interpretation of these rules. There was a lot of questions we wanted to ask about them—what they meant.

Mr. TRAVIS. Could Presser and Dixon interpret the association bylaws?—A. No; Dixon.

Mr. TRAVIS. You're talking about the association bylaws.

The WITNESS. The association bylaws.

Mr. TRAVIS. Were they an expert on bylaws?

The WITNESS. They have had an association that's considered all over the country in this business as being very successful.

Mr. TRAVIS. But the association, according to Dixon, had to be completely divorced from the union.

The WITNESS. That's right.

Mr. TRAVIS. Yet a union man is interpreting the association bylaws.

The WITNESS. No; not Presser.

Mr. TRAVIS. Well, Dixon.

The WITNESS. Presser was only a bystander, and most of the time he wasn't there at all.

By Mr. MOLL:

Q. Well, who schooled you on what to have in your bylaws?—A. Well, we took the Cleveland bylaws and practically duplicated them.

Q. That is, LoCicero did.—A. LoCicero came into the picture.

Q. And drew your bylaws?—A. Yes.

Q. And at whose instructions?—A. They practically duplicated the Cleveland bylaws.

Q. Then you fellows agreed to adopt the Cleveland bylaws?—A. Not in its entirety, because LoCicero changed something; a few.

Q. What important changes did he make?—A. I don't remember that.

Q. Now, all right; when your association was first formed, you entered into a contract with the union on the 26th day of January 1945; do you remember the association and the union; do you remember that?—A. That's right.

Q. Now, what were the dues fixed to be paid by the operators to the union?—A. There was no dues to be paid to the union by the operators.

Q. Well, didn't it provide for some 50 cents per machine?—A. To the union?

Q. Yes.—A. No.

Q. How was that handled?—A. Well, it was—the only prorating there was in fixing the dues. I think, the men's dues; how the men would pay the dues.

Q. Well, that was fixed all right in the contract. The collectors were to pay \$15 a month dues, the mechanics \$7.50 a month dues, in addition to which the operators were to pay a base of around 50 cents; isn't that correct?—A. That's for the operators who service their own machines.

Q. Yes; that's right. Wasn't that correct?—A. I am not sure about that.

Q. Well, do you remember approximately what the dues to the union were?—A. As I recollect the contract, there is no dues by the operator to the union, only by the operator who services his own instruments. He has a sort of B membership, which they call a permit, and his dues is based—the amount, some figure, I don't quite remember. The operator that services his own machines has to pay so much per machine that he services.

The COURT. How much a machine in your case?

The WITNESS. Well, in my case, I had 100—I was listed for 120 machines. I did have 120 machines at the time, and my dues run to \$34—no, \$54.

The COURT. You yourself had to pay?

The WITNESS. I myself had to pay.

The COURT. Back to the union.

The WITNESS. Because I serviced my own machines, and it was according to the permit.

By Mr. MOLL:

Q. Now, did you ever sign an application for union membership?—A. Yes.

Q. Were you issued a union card?—A. Yes.

Q. Have you got that now?—A. No, I haven't.

Q. Did they give you any kind of a permit?—A. Yes; they give me a card.

Q. A regular union card?—A. No.

Q. A book?—A. It stated on there it was a month-to-month permit.

Q. Have you got that with you?—A. No; I haven't.

Q. Could you get it?—A. Yes; I got it.

Q. Would you mind bringing it in?—A. You mean, if I have it now?

Q. Yes.—A. I don't know if I still have it or—

Q. Would they give you a new one each month?—A. Let's see now. At first they issued a card. I believe it was each month, they would send me a card, that's what it was, and then later they issued in the form of a book.

Q. Have you got those cards or that book?—A. No. I don't think I have the card nor the book. In fact, I lost the book a long time ago, and they kept sending me the stamps to attach to it.

Q. Well, then, did you understand that you were a union member after the contract was signed, or that you were merely a permit holder?—A. That I was a permit holder, a B member of some kind.

Q. Did you attend union meetings?—A. No, I didn't.

Q. Did any of the B members attend union meetings?—A. I can only speak for myself. I don't know.

Q. Did you understand you had union status or were just a permit holder.—A. No; no status at all.

Q. Now, later on, were your dues raised?—A. I believe there was a boost.

Q. How much?—A. Well, we started at—when my dues was raised, I believe that all the rest of the members got a raise, too. I don't recollect what the amount was.

Q. Well, you were raised from a base of maybe 45 or 50 cents a machine to 70 cents a machine, weren't you?—A. Something like that.

Q. And you still continued to receive cards or permits?—A. The cards was discontinued after a certain time, and they sent a book, and then they kept sending stamps.

Q. Indicating the payment of dues?—A. That's right.

Q. Well, now, you first send in around \$20.50, didn't you?—A. Wasn't that sort of an initiation fee or something? Maybe it was dues.

Q. What initiation fee did you have to pay for your collectors?—A. I don't remember if we paid the initiation fee or if the collectors paid it themselves, to be frank.

Q. I think you fellows paid it, didn't you?—A. I don't know what that amount was.

Q. What?—A. I don't know what that amount is.

Q. Would your books show that?—A. No, they wouldn't, because if they—whatever it was and we paid it, it was deducted from their salary, and our books wouldn't show it at all.

Mr. TRAVIS. Well, a comparison of their salary would indicate whether they had been deducted for that particular week?

The WITNESS. I don't think I have a record of that at all, because their salary went on the books just as they received it. If we deducted, we have no record of it.

Mr. TRAVIS. What I mean, if they were shown at a salary of so much, and then dropped, that would indicate—

The WITNESS. Their salary is not set. It's on commission basis.

By Mr. MOLL:

Q. But you remember you sent in a certain figure for dues, and that figure was later raised?—A. That's right.

Q. Do you know what brought about the raise?—A. Well, they claimed that the cost of operating the union was about what they were receiving in dues, and that they had to have more money.

Q. Who claimed that?—A. The union themselves.

Q. Well, who in the union?—A. Well, Mr. James himself.

Q. Made that claim to you?—A. No; I believe the claim was made in negotiation.

Q. Did you boost the salary of your employees?—A. I don't know what they did.

Q. Did he make that claim to the board of trustees?—A. No, he didn't.

Q. When did he make the claim to you it was necessary to have more money?—A. Well, because the cost of operating his union, and so on and so forth.

Q. Where did he make that claim?—A. I think it was in negotiation for the raise.

Q. With the board of the association?—A. No. I believe that when they got it, they just raised the dues, and that's all, in their own union. When we got it, was when we were told to deduct that much more from the men's dues. They just raised it. They didn't consult us then. We just got notice that we would have to deduct more off the men's wages, and we wanted to know why that was, so he came in and negotiated as a group with us, to deduct this much more money off the men's wages, so we could turn it in to them.

Q. Now, what's your best recollection of how much you had to pay, yourself, as a class B union member, each month?—A. Well, around \$54.

Q. Around \$54?—A. Yes.

Q. How was that amount arrived at?—A. Well, it was based on 120 machines. I started with 120.

Q. 120 or 108?—A. No, I started with 120. When we first went into this, it was 120 machines, and then I kept taking some of the old machines and using them for parts during the war, when we couldn't get parts, and finally I got down to 108, and never reduced the amount I had in there. I just kept it that way.

Q. Now, in addition to the amount you paid the union, how much was your association dues?—A. I believe it was 30 cents.

Q. 30 cents per month per machine?—A. That's right. Let's see; was it 35?

Q. No, 30.—A. 30 cents.

Q. Did James ever make any demands on you for money?—A. No.

Q. Did he ever borrow any money from you?—A. Never.

Q. Or attempt to borrow any money?—A. Never.

Q. Do you know whether he borrowed from other operators?—A. I wouldn't know that.

Q. Did you ever hear that he did?—A. I never did.

Q. Do you know that he owned any interest in any music companies?—A. Not to my knowledge.

Q. Did you ever hear that he did?—A. I never did.

Q. That he ever acquired a stock interest or otherwise?—A. That he ever—

Q. That he ever acquired a stock interest or otherwise in these other companies?—A. If he has, I don't know.

Q. Now, did you contribute to this Christmas fund, Christmas 1945?—A. I did.

Q. How much was that?—A. Now, let's see—

The COURT. How much?

The WITNESS. I am not sure of the figure—30 or 35, or something in that neighborhood.

The COURT. Who did that go to?

The WITNESS. Pardon me, Judge, I am a little hard of hearing.

The COURT. Who did that go to?

The WITNESS. It was a Christmas gift.

The COURT. To whom?

The WITNESS. That the operators voluntarily gave to Mr. James.

The COURT. What did it total?

The WITNESS. Pardon?

The COURT. What was the total of the amount he received?

The WITNESS. I don't know, I just contributed, I believe, thirty or thirty-five dollars, somewhere in that neighborhood.

The COURT. Was the total about \$2,000?

The WITNESS. I don't know just what it amounted to.

The COURT. Do you know what he did with the amount he received?

The WITNESS. No, I don't.

The COURT. Do you know whether he bought a new car with it?

The WITNESS. No, I don't.

By Mr. MOLL:

Q. Who collected the money?—A. Mr. Brilliant.

Q. Who?—A. Mr. Brilliant.

Q. Well, now, you had a very substantial raise in your union dues, didn't you, from the time the association was organized to about October 1945?—A. That's right.

Q. What caused that?—A. Well, you mean, when it took the jump from, what was it, 50 cents to 70 cents, is that what you mean?

Q. Yes.—A. Well, they claim it was the high cost of operating, their union wages, so on and so forth, and when they did that, of course, we had no choice in the matter, because they raised it—their committee got together and raised



it. There was nothing we could do about it. We had no voice in the picture there. They just asked us to deduct that much more from the men. After all, we felt if the men want to pay that much more, that's their business.

Q. But the difference, say, between the \$20.50 or the \$18 you started with, and \$54 that you wound up with, came out of your own pocket?—A. But, you see, Mr. Moll, we, as B members, wouldn't have any voice in a meeting like that. We had no voice. We just had to accept it. We didn't like that.

The COURT. I know, but Judge Moll says, the difference came out of your pocket, and not out of your employees'?

The WITNESS. You mean, what, the \$54?

By Mr. MOLL:

Q. Yes.—A. Yes; that would come out of my own pocket, because I was servicing my own instruments, but there was nothing we could do about it. The membership got together and raised the fees. We couldn't do anything about it.

Mr. MOLL. We are trying to do something about it. We are trying to do something about the way you fellows were pushed around.

Mr. TRAVIS. Taxation without representation.

The WITNESS. Well, the way the unions looked at it——

The COURT. Well, you would need more money if you put two or three people on your payroll and they didn't do any work and you had to pay them.

The WITNESS. Well, the men I was using—I used two men.

The COURT. Well, they worked.

The WITNESS. They worked, and I took care of all the repair. Now, the union feels I, as an operator, had an operation margin enough to hire another man for that, and if I wanted to service my own instruments, I could, but that, you know—I suppose they make the rule a little harder to encourage employment of more people.

Mr. TRAVIS. Isn't it a fact your dues personally were raised, and you, as a member or affiliate of this union, had nothing to say about it?

The WITNESS. Myself, I don't know if there is anything wrong.

Mr. TRAVIS. I don't say you know if there is anything wrong. I want to know what the facts are.

The COURT. The question is, did you have anything to do about raising the dues or resisting the raise?

The WITNESS. No, I didn't resist, because when it got to us, it was just there.

The COURT. You had to pay.

The WITNESS. Well, we——

The COURT. Well, that's it.

The WITNESS. The members got together and raised the dues.

The COURT. When you say the members got together, you mean the union?

The WITNESS. Yes; the union members got together and raised them.

The COURT. And whatever they raised them to, you paid?

The WITNESS. Well, we had no voice in that.

The COURT. I didn't ask you that. You did pay?

The WITNESS. That's right.

Mr. MOLL. Because you had to.

The WITNESS. Well, nobody liked to pay, if they were only \$5, and if we could get it for \$2, we would rather get it for \$2.

The COURT. Well, what the Judge means, you didn't go to the union and tell them, "I don't like this raise, and I am not going to pay it."

The WITNESS. Oh, we did.

The COURT. Did you go to the union?

The WITNESS. Yes, we did.

The COURT. Who did you go to?

The WITNESS. Mr. James.

The COURT. What did he say?

The WITNESS. Mr. James said, "these boys got together and wanted to raise it. We were running into the red and they wanted to raise it. We took a vote on it, and they did."

The COURT. Did he tell you they had Mrs. Hoffa and Mrs. Brennan on the payroll, and paid them a little over \$6,000 for the period of a year, and no return from them, and therefore, they had to raise the dues to pay off the employees? Did he tell you that?

The WITNESS. No; he didn't tell us that.

By Mr. MOLL:

Q. Now, did you pay dues to the union right through till you sold out your business?—A. That's right.

Q. You were one of the big dues payers, weren't you?—A. Yes.

Q. One of the two or three of the largest?—A. That's right.

Q. Now, I am going to show you a check here, dated August 28, 1945. It's Grand Jury Exhibit 101, payable to Joseph Brilliant in the amount of \$500, signed by Joseph Brilliant, countersigned by DeSchryver, and endorsed by Brilliant, E. C. James, and Shirley Hunt. Do you know anything about that check?—A. No; I don't.

Q. It is a Michigan Automatic Phonograph Owners Association check. Did you ever see that check or hear of it before?—A. No, I haven't.

Q. Have you any idea what it was drawn for?—A. No; I don't.

Q. Can you give me any idea now?—A. I don't remember.

Q. Do you know Shirley Hunt?—A. No, I don't.

Q. Did you ever hear of her?—A. No.

Q. I show you another check drawn on the association, number 384, dated August 26, 1946, in the amount of \$2,000, Grand Jury Exhibit 102, signed as is the previous check, endorsed by Brilliant. Did you ever see or hear of that check before?—A. This is just recent, isn't it?

Q. Yes.—A. I wouldn't know about that. That's long after I left the business.

Q. Did you ever hear Brilliant ask the association for reimbursement of money that he had paid to James?—A. No, I haven't.

Q. Did you ever hear him ask reimbursement for any expense money he had expended?—A. Yes, I have.

Q. When?—A. It dates back quite a while.

Q. How long ago?—A. Well, it was after, or about the time that they organized one of the chapters out in Michigan. Now, what—I can't recall what the amount of that was.

Q. How did Brilliant put his request?—A. It was on the board—if I remember right, it was on the board.

Q. But how did he put it?—A. That it was expense of fare, several trips, and so on, hotel bills, and so on, I believe at the time—just about the time they organized another chapter, the association over in Lansing, and they were working on something in Grand Rapids.

The COURT. Muskegon, wasn't it?

The WITNESS. Muskegon was organized. I won't be a bit surprised if it deals with that check there, that \$500 check. How far back is that \$500 check?

The COURT. August 1945.

The WITNESS. August 1945. That's probably what I have in mind.

By Mr. MOLL:

Q. Well, did you ever hear him make request for the \$2,000 check?—A. No. I haven't. That date there is after I left the organization. I left the organization early in June, I wouldn't know about that.

The COURT. By the way, what are you doing now?

The WITNESS. Not doing a thing now, Judge.

The COURT. You haven't done anything since June?

The WITNESS. No.

The COURT. Have you something in contemplation?

The WITNESS. Pardon?

The COURT. Have you something is contemplation?

The WITNESS. Why, yes. I was looking over different businesses, to see if there was something I can go into.

The COURT. What did you get when you sold out?

The WITNESS. \$70,000.

The COURT. \$70,000 cash?

The WITNESS. Cash.

The COURT. When you started in, what capital did you have?

The WITNESS. It was 27 years ago, Judge, we started in the business.

Mr. TRAVIS. By the way, I misspoke myself, before. Mrs. Hoffa and Mrs. Brennan were on the payroll of the union in their own names for a period of about seven months, ending about the time this Grand Jury was formed.

By Mr. MOLL:

Q. Well, now, we have asked you a lot of questions here. You undoubtedly know what we are trying to do. As I told you previously, we are looking for illegal practices on the part of labor. We are not looking to accuse the business-

man. Is there anything you can tell us that would help us to remedy the situation you yourself say has victimized operators.—A. Well, Judge Moll, just like I mentioned there sometime ago, we have had trouble in the business from time to time for years, and I believe that we have had less trouble in this business in the last year an a half or more than we ever had in the history of the business.

Q. What do you attribute that to?—A. Well, I don't know. Our troubles have been mostly with unrest amongst our own men, and my opinion, this James has done a pretty good job of keeping the men satisfied. That's the only thing I can say about it.

Q. How do you think he has accomplished that?—A. I thing he has accomplished that one thing, and which was most essential, as far as the operator is concerned. This jumping from the CIO into the AFL, and the AFL to the CIO, was really a bad thing for us, and it is the first really solid year or two we have been in one place, know where we stand.

Q. Do you know whether James receives, as a business agent from the union by way of salary?—A. No, I don't. I don't know that, Judge.

Q. Was the association ever asked to augment this salary he received?—A. No.

Q. Add anything to it?—A. No.

Q. Do you know of any money that was ever paid to James?—A. No.

Q. What?—A. I don't know.

Q. Did you ever hear of any?—A. Never.

Q. Now, just explain to the Court how this service charge works, will you?—A. Well, the service charge is mostly applied in locations that the income is so poor, that the operators either has to charge an additional service charge, or leave the man without a machine and go on to some other. Now, most of these people are going to pay this service charge for repairing the machine, and the service charge in many cases, means the difference between meeting barely the expenses, losses every week, or making a small amount of revenue from the investment. Now, it works like this. A location, say, that takes in, for our share, \$5 a week, it is unprofitable for us. We would lose maybe about \$1 a week on such a location, because it takes an average of \$6 right now to be able to furnish records, make adjustments on the machine, the commission to the workingman and all the expenses connected, expenses of maintaining a shop, and so on. Those, in my case, amount to about \$6 a unit, or even a little more than that right now, and the location that would clear me \$5 a week, I would have to take a loss on it of \$1 or \$1.50 a week, so the service charge is added on such locations in order to defray that cost there of operating and making it possible for us to make a small profit on each unit each week.

Q. Did you ever hear of any union business agents demanding any money from the spot owners?—A. No; I haven't.

Q. Or from the operator?—A. I haven't.

Q. You have contributed, then, to no fund to pay James, except that Christmas fund of 1945?—A. That's correct.

Q. Is that right?—A. That's right.

Q. Did you ever hear of any pay-off?—A. No; I haven't.

Q. By the operators to the union?—A. No; I haven't.

Q. Other than this dues arrangement?—A. No.

Q. Did you ever hear rumors to that effect?—A. I haven't even heard rumors.

Q. Do you think there is any?—A. I don't believe so.

Q. What?—A. I don't believe so. If there was any such thing, I would even hear it as hearsay, but I have never even heard it.

Q. If it did exist, how could it be made? What would be the way to make it?—A. Gosh, I wouldn't know. Wouldn't they be—wouldn't the union men or anybody else be sticking their neck out a little too far, coming right out asking money from any individual?

Q. It's been done. The only way I can answer it.—A. Oh, yes; it's been done, but it's been done in rackets and so on.

Q. It's been done many times.—A. I imagine the union man, making good money, he would have to have something wrong with his head to do a thing like that, because that would be going a little too far.

Q. Well, you have never heard of it in this case?—A. I never heard of it, Judge Moll.

Q. Is there anything else you can tell us that would help us clean up your business?—A. Well, I don't see anything that I can contribute, Judge. It looks like if you have everything that happened.

Q. What?—A. It seems from the questions you asked me, you have almost everything that's gone on with the business.

Q. Have we missed anything?—A. I don't think so. You have every detail, or pretty near every incident that happened; in fact, a lot more things than I would be able to remember correctly. I appreciate your effort, and the effort of—

The COURT. What?

The WITNESS. I appreciate your effort and the effort of Judge Murphy trying to do something for the business and clean it up, if you have information there is something wrong, because certainly some day, when prices get settled down, I certainly would like to come back to it, because I have done this practically all my life, and it isn't just so easy to get away from it, and I would like to come back into a business that is a good business.

By Mr. MOLL:

Q. Who do you think might be able to help us in this investigation?—A. Well, from what I know about the business, frankly speaking, I was somewhat satisfied with the way our men behaved, with the way they handled—the union officials handled these men, because we had the least amount of trouble, and I was well satisfied with this last setup. Now, whatever information you have might put you in a position to think I am crazy, but I have had the least amount of trouble with this last union than we have had with any other, so whatever trouble you know of, that you are trying to iron out, I really don't know what it is.

Q. Well, how do you justify the fact, in your mind, that to do business and put out 108 machines or 120, in the city of Detroit, United States of America, you were required to pay a union \$54 a month for the privilege and opportunity of doing business in a free country?—A. Well, Judge, I remember the time when we didn't have any union at all, and this city was getting quite union minded. We had quite a lot of trouble. We would go in to service a machine. The first thing, you know, a man who wore an AFL button or CIO button, they would probably have a few drinks, and they would approach us. "Well, do you belong to the union?" Naturally, we would say, no. Then they started heckling us, and saying we were scabs, and all that kind of stuff. What could you do with a thing like that? That gained so much momentum, we were really ashamed to admit we were not in the union, in one union or the other, and in some cases we began telling we did belong to the union, and they come back to us, "Show your card, let's see your card." You know how people with a few drinks in them would act. We had a lot to put up with that way. From that standpoint alone, you don't think it's too bad.

Mr. TRAVIS. How do you justify the fact you had to pay the dues on a different basis from the employees, who did the same type of work?

The WITNESS. Well, that's what I wanted to know, too, but the union's reasoning on that is that I had enough machines to warrant the employment of a couple of extra men. As long as I didn't want them, I didn't have to, and I was taking care of enough machines on the mechanical end of it, that it would warrant the dues.

The COURT. This is off the record.

(Discussion off the record.)

(Witness excused.)

---

#### STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, For a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Wednesday, September 18th, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistants Attorney General; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: G. L. McGuire, Reporter.

3:30 p. m.

LOUIS BERMAN, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

- Q. What is your name?—A. Louis Berman.  
Q. Where do you live?—A. 32405 West Seven Mile Road.  
Q. What is your business?—A. Wired Music.  
Q. How long have you owned that?—A. About three months.  
Q. You bought it from the Modern Music Company?—A. Yes.  
Q. Do you service a box at 467 Abbott?—A. Yes, sir.  
Q. I will show you Grand Jury Exhibit 106, and ask you if that is one of your receipts?—A. That's right.  
Q. And that is dated September 13th of this year.—A. Yes.  
Q. And that is your signature?—A. Yes.  
Q. What is that?—A. Collection slip.  
Q. How much was in the box?—A. \$40.40.  
Q. How much was the commission?—A. \$15.40.  
Q. What does that five and five indicate?—A. That is a service charge that helps to break down the wire cost.  
Q. What wire cost?—A. We have telephone. This is not a juke box. This is wired music, telephone wired music.  
Q. Telephone wired music?—A. Yes.  
Q. Did you tell the man over there this was a payment to the union?—A. Hell, no.  
Q. You are sure?—A. Hell, no.  
The COURT. What is that?  
The WITNESS. Hell, no.

By Mr. GARBER:

- Q. What?—A. No.  
Q. What was that \$5 charge for?—A. That's the way we felt we had to operate to be successful.  
The COURT. Now the way you feel.  
The WITNESS. That's a service charge.  
The COURT. Some fellows feel the way that they can operate successfully is to make payoff to the union.  
The WITNESS. Yes?  
The COURT. In our book that is part of the racket. We don't care how you feel about it.  
The WITNESS. That is a break-down. The only way we feel we can profitably operate is to charge that.  
The COURT. Now the way you feel, show the break-down. Who gets it and why?  
The WITNESS. We get it. We get that much more money than the customers. We get at least \$10 more than the customer. We are sure of the first \$10 that comes out of that box.

By Mr. GARBER:

- Q. You get \$20 a month?—A. No; I don't.  
Q. You charge them \$5 each week.—A. Yes.  
Q. That's \$20.—A. Yes.  
Q. \$210 a year.—A. Yes.  
Q. Why are you entitled to that? What is the purpose?—A. Because that is the only way we can stay in business, that is if we get a sufficient amount of money out of that box and every other box we operate.  
Q. How many of these do you have?—A. 33.  
Q. You collect \$5 from each one?—A. Yes.  
Q. Do you belong to the union?—A. Yes.  
Q. How much dues do you pay?  
The COURT. Take it easy, let him think it out.  
The WITNESS. Well, I tell you—  
The COURT. We know what you pay, so you tell us.  
The WITNESS. I tell you, I don't have too much interest in that. Whatever I pay the union, my partner pays it. We pay by check.

By Mr. GARBER:

- Q. How much do you pay them?—A. I have belonged in the union at least part of three months, or two months.

Q. All the more reason you should know what you pay.—A. I don't.

Q. How much do you pay per box?—A. Now, we do pay an association sticker charge. I think that's a dollar, if I am not mistaken.

Q. Do you know how often?—A. Per month, per sticker.

Q. Who do you pay, do you know, for the sticker?—A. The Association.

Q. You belong to the association?—A. Yes.

Q. When did you join the association?—A. A couple of months ago.

Q. Is that the time you joined the union?—A. I believe so.

Q. You joined the union and the association at the same time?—A. A couple of days apart.

Q. Which did you join first?—A. I don't know which one was first, both were very close together.

Q. How did you happen to join the association?—A. This route that we bought off my brother and his partner, those people were association members, and naturally I joined them, as a matter of course.

The COURT. What did you pay for the route?

The WITNESS. Altogether this thing—\$46,000.

The COURT. Cash?

The WITNESS. No; we put one-third down.

By Mr. GARBET:

Q. How many boxes did you get for that?—A. 45.

Q. Now, what kind of service do you have that you say is different than the average juke box?—A. The average juke box is a record set-up. We have telephone wired music, a girl gives that same service over a switch.

Q. Max Marston's outfit?—A. We have bought equipment from him.

The COURT. Where does that music originate?

The WITNESS. We have our place which is what you would call the studio at 7531 Woodward Avenue.

The COURT. Is that where the music is put on and sent out over the wires?

The WITNESS. Yes; we have records and a customer drops a nickel or a quarter, and the girl will take that call and supply him whatever music he wants for his money.

The COURT. Where is the girl located?

The WITNESS. 7531 Woodward.

The COURT. Where does the party put the nickel?

The WITNESS. Whatever the location is.

The COURT. He drops a nickel in the slot?

The WITNESS. Yes.

The COURT. And that is connected to your place?

The WITNESS. Yes; by wire.

The COURT. And when that comes in, the girl puts that particular piece of music on the box in your studio?

The WITNESS. Yes.

The COURT. Don't any of your juke boxes play in the usual way?

The WITNESS. Yes, we do have them, we bought them as part of the group, but each and every one of those locations were formerly wired locations, and they are only in there temporarily until the telephone company can put in the wires.

Mr. GARBET. Do you charge the \$5 then from juke boxes?

The WITNESS. No, it depends.

Mr. GARBET. How much do you charge, then?

The WITNESS. Half over two, half over three, half over four.

The COURT. Is that one of those boxes on here?

The WITNESS. Wired music?

The COURT. Yes.

The WITNESS. The one you called me about at 467 Abbott, yes.

The COURT. You have a juke box in there?

The WITNESS. No, we have wired music.

The COURT. Where the customer comes in and wants a tune played, who do they give the nickel to?

The WITNESS. They drop it in the box, the treasure chest.

The COURT. There is no juke box there.

The WITNESS. No, it is a cabinet. The guy, he is kicking on it.

The COURT. In order to put that cabinet there, you pay the owner of the spot?

The WITNESS. No.

Mr. WATSON. You pay him a percentage of what he takes in?

The WITNESS. Yes.

The COURT. Does he pay you to put the cabinet in there, or does he get part of the rake-off.

The WITNESS. He gets part of the money in that box.

The COURT. How much does he get out of that box per week?

The WITNESS. Half over the first ten.

The COURT. In other words, every week you go to that box?

The WITNESS. Yes.

The COURT. And deduct \$10?

The WITNESS. Yes.

The COURT. And then the remainder of the money you split 50-50.

The WITNESS. Yes.

The COURT. Now, how much do you pay the union out of that cabinet?

The WITNESS. Nothing. You mean as a whole, you mean for the amount of money I am taking?

The COURT. Yes.

The WITNESS. That's part of the union business or the association either, none of their business. I am a union man, and I can't solicit any spot, and as an association member we pay for having that box there.

The COURT. Now, what do you pay the union for the use of that box there?

The WITNESS. Nothing.

The COURT. Nothing?

The WITNESS. No, sir.

The COURT. What do you pay the association?

The WITNESS. \$1.

The COURT. \$1. That is the—what is the name of that association?

Mr. GARBER. Michigan Automatic Phonograph Owners.

Mr. WATSON. I think the witness is confused.

The WITNESS. I am not confused, but I don't know.

The COURT. You pay the girl at the association so much per cabinet per month.

Mr. WATSON. The girl, the man, or whoever is there?

The WITNESS. Excuse me, Judge. I know this sounds ridiculous—

The COURT. Who does know about this?

The WITNESS. My partner. He is right outside.

The COURT. You step out and send him in.

Mr. WATSON. Wait, just before he goes out. Are you positive that the owner of the spot in each case understands this deduction is a service charge?

The WITNESS. Do I think the customer understands it?

Mr. WATSON. Yes. In other words, your own customers take the position you get this additional \$5 before the split, or whatever the amount is, before the split, under the pretext it is union expense to you. Did you ever tell any one of your customers anything like that?

The WITNESS. No.

The COURT. What is that \$10?

The WITNESS. It is a guarantee of that much money towards the operation of their unit. We feel like we have to have at least that now, and probably when we get a little better off, we will ask for a little more. We can't operate successfully unless we are assured of that much money, and to find some way to get that much money, we broke it down at the time we bought it.

By Mr. GARBER:

Q. That machine at this particular address took in \$40.40.—A. Yes.

Q. You said the commission due is \$20.20. Read what this says here?—A. Yes.

Q. How much is half of \$40.40.—A. \$20.20.

Q. That isn't what you have got down there for commission?—A. Yes.

Q. Then you say a service charge of how much?—A. That's my charge, \$5.

Q. Then you give the customer how much?—A. A. \$15.20.

Q. What do you mean, you take the first ten?—A. I would give him half and half, and take \$5 off his end.

Q. That is better. You take \$5 from his pay.—A. That's the way he likes it there.

Q. Who wrote this?—A. I did.

Q. So you don't take \$10, you take \$5 off his end?—A. Yes.

Q. What do you take that for?—A. We need that money. We have got to get at least that money to operate.

Q. You were getting \$20.20, so you were away above this \$10 minimum.—A. By God, we are not doing so good now. If we don't do a lot better, we won't be in business.

Q. You took \$20.20.—A. A lot of money, but it isn't enough.

Mr. WATSON. Is that for one week?

The WITNESS. Yes.

The COURT. How much is the other fellow's?

By Mr. GARBER:

Q. The other fellow got \$15.20. You are on a fifty/fifty basis.—A. Is that too much?

Q. No, I want to know about the \$5. He tells me, you tell him you are getting that for the union.—A. I am not the man that tells him that. I make the collection, but I don't tell him that.

Q. Did you tell him you were taking it for the union?—A. No.

Q. You told him you were taking that \$5 there for the union. Now, are you or aren't you?—A. I think he's a liar.

Mr. WATSON. The question is, are you or aren't you?

The WITNESS. Are I what?

Mr. GARBER. Taking the \$5 for the union?

The WITNESS. No, no.

Mr. WATSON. Just answer the question and don't be so damn cute about it.

The WITNESS. I am afraid you think I am trying to be kind of secretive, but I am not.

Mr. WATSON. We certainly do.

The WITNESS. I am sorry.

The COURT. How much of that dollar do you pay to the association, and how much of it goes to the union?

The WITNESS. I don't know. I never was at an association meeting.

The COURT. How much goes to the association out of the dollar?

The WITNESS. I don't know.

The COURT. But you do know every juke box you own, and every music cabinet that you have placed in these spots, out of the proceeds of that money that comes into each one of them, you pay the association \$1 per month per unit.

The WITNESS. I don't understand that.

The COURT. For every music box and every juke box you pay \$1 for each one of them to the association, don't you?

The WITNESS. I think so, but I am not sure.

The COURT. You don't know how much of that is union money?

The WITNESS. No.

Mr. GARBER. What is the name of your outfit?

The WITNESS. Capitol Music.

Mr. GARBER. Capitol Music. Did you pay a \$50 initiation fee?

The WITNESS. I guess so.

The COURT. Do you know?

The WITNESS. I don't know. You think I am sarcastic, but—

The COURT. Who paid it?

The WITNESS. My partner.

Mr. GARBER. And did you pay \$15.50 dues?

The WITNESS. I don't know.

Mr. GARBER. Did you pay that much in July?

The WITNESS. I don't know.

Mr. GARBER. In August did you \$13.50?

The WITNESS. I assume we did. I don't know.

Mr. GARBER. How much did you pay?

The WITNESS. I don't know.

Mr. WATSON. What is your name?

The WITNESS. Berman.

Mr. GARBER. B-e-r-m-a-n?

The WITNESS. Yes.

Mr. GARBER. That is what you paid according to their books?

The WITNESS. You see, if I was at my place, and you asked me, I would look up our check book and answer the question. I am the fellow who does the outside work.

Mr. GARBER. You are the guy that got this \$5, and that is why I called you in.

The WITNESS. That isn't too much. In fact, that isn't enough. I have been in this business quite some years before I went into the army, and we always had to get something more than we give to the customer, in order to survive.

Mr. GARBER. You knew all about this business when you paid \$45,000 for it.

The WITNESS. Yes, sir, I know this business well.



The COURT. How long have you been in the business?

The WITNESS. 21 years—18 years—3 years in the army.

The COURT. How old are you?

The WITNESS. 44.

The COURT. Where were you born?

The WITNESS. New York.

The COURT. What part?

The WITNESS. Brooklyn.

The COURT. Are you one of those Brooklyn bums?

The WITNESS. Yes.

The COURT. When did you come to Detroit?

The WITNESS. 1936.

Mr. WATSON. Married?

The WITNESS. Yes.

Mr. GARBER. Your brother previously owned this business under the name of Modern Music; is that right?

The WITNESS. Yes.

Mr. GARBER. That's all. Send your partner in.

(Witness Excused.)

3:45 p. m.

PHILIP SCHACHT, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

Q. What is your full name, please.—A. Philip Schacht.

Q. Where do you live?—A. 500 West Ferry.

Q. What is your business?—A. In the coin machine.

Q. What is the name of it?—A. Capitol Music Company.

Q. How long have you been in business?—A. A couple of months—about three months.

Q. That is under the Capitol Music?—A. Yes.

Q. Ever been in the business before?—A. Years ago.

Q. You bought this business from the Modern Music Company?—A. Yes.

Q. Paid \$45,000 for it.—A. Yes.

Q. How much did you pay to join the association?—A. I paid an initiation fee of \$50 to join the association, and I paid an initiation fee to the union of \$10.

Q. \$10 a box or \$10 flat?—A. Flat, that's initiation fee.

Q. How much do you pay the association a month?—A. \$13.50 a month.

Q. How much do you pay the union?—A. \$31.50.

Q. How many boxes do you have?—A. 45.

Q. In all of these locations that you have, do you collect \$5?—A. There is a \$5 service charge.

Q. What do you do with that \$5?—A. Well, our set-up is a lot different from any other, because we have what you call phone-wired service, and we have an overhead, telephone lines to pay, and we have girls who are operators on those boards.

Q. You save a lot of records?—A. I don't think so.

Q. Can't you be servicing five or six places with one record?—A. Yes, we could; but on a jukebox you could hold 24 records, whereas on wired music, you have to own a stock of five thousand. So, in other words, instead of buying 24 records to a unit, we have to buy a variety, which comes out more.

Q. How long have you collected \$5 from each spot?—A. Ever since we bought it.

Q. Was that the practice previous to that time?—A. Yes.

Q. Did you ever tell anybody you were collecting that \$5 for the union?—A. I did not.

Q. Are you sure?—A. Yes, sir; as far as I can say it is for our overhead.

Q. On your books, will you find these \$5 charges?—A. Yes.

Q. Over and above the amount earned by the machine?—A. Yes.

Q. Do you separate it on your books?—A. It is figured in our net.

Q. I will show you grand jury exhibit 106. That is a location at 467 Abbott, and the take out of that was \$40.40.—A. Yes.

Q. And commission on a 50/50 basis would be \$20.20.—A. Yes.

Q. You deduct a service charge of \$5.—A. Yes.

Q. You give the spot owner \$15.20 and you have \$25.20 for the company?—A. Yes.

Q. How do you set that \$25.20 up on your books?—A. As a net.

Q. That is your net?—A. Yes.

Q. In other words, you would simply add the service charge on to the amount in the machine?—A. No, on the amount we take, and we, in turn, use that money in our business.

Mr. WATSON. Really, it is added in to the gross.

The WITNESS. No.

Mr. WATSON. Net is net after operation.

The WITNESS. After the split.

Mr. GARBER. They call that net.

The WITNESS. Net, we call it.

Mr. WATSON. Out of this particular machine you get \$20 a month net always.

The WITNESS. No; it all depends what is in the machine. Sometimes you come along and there isn't that much in it.

Mr. WATSON. But you always get the first \$5.

The WITNESS. First we split it down.

Mr. WATSON. Suppose there is only \$6 in the machine. You split it, you get three and you get all of his three to apply on the five?

The WITNESS. Well, if it is that low, sure, you have to charge him for service.

Mr. WATSON. So unless there is a little more than \$10 in the machine, the owner of the place gets nothing.

The WITNESS. Well, I have never had a case like that happen. In the event it has ever come down to \$6, we would have to pull the box.

Mr. WATSON. Well, just use an example, if there was \$10.10 the operator would get a nickel and you would get \$10.05. I am just using a hypothetical case.

The WITNESS. I don't make the collection if there isn't enough for a cut. I just let it go a week.

By Mr. GARBER:

Q. You let it run two weeks?—A. Yes.

Q. So you would be sure to get your money?—A. If there isn't enough for either one we let it go.

Q. What kind of boxes do you have?—A. A. M. I. we have, and the Maestro.

Q. The A. M. I. is Marston's company?—A. Yes.

Q. Have you had any difficulty with the union on that type of box?—A. We have only been in about a couple of months.

Q. How many employees do you have?—A. About nine.

Q. All belong to the union?—A. The girls don't.

Q. You belong?—A. Yes.

Q. How much dues do you pay?—A. That is all I pay, \$15.75 a month for me and \$15.75 for my partner.

Q. Who do you pay that to?—A. The union.

Q. What about the other employees, who pays that?—A. My other employees aren't in the union.

Q. Just you two owners in the union?—A. Yes; because we work on our own collections and our own repairs.

The COURT. How much do you pay the union each month?

The WITNESS. \$15.75 apiece.

The COURT. How is that made up?

The WITNESS. As dues.

The COURT. How do they break it down; why don't they charge you \$25, make it easy for you?

The WITNESS. That is something I don't know.

The COURT. You pay the union on each music or jukebox 70 cents each month and 30 cents to the association, making a dollar between the two of them on each music box or each jukebox, is that it?

The WITNESS. Well, I have never broken it down.

The COURT. When it comes down to the end of the week, you make collections?

The WITNESS. Yes.

The COURT. You deduct \$10 and put in your pocket, that is to assure you will continue operating and anything beyond that \$10 you would split 50/50 between yourself as the operator and the spot owner, is that right?

The WITNESS. Yes.

The COURT. Now, you and your partner belong to the union?

The WITNESS. Yes.

The COURT. And you have no other employees out in the field?

The WITNESS. That's right.

The COURT. Because you only have relatively a few jukeboxes, and the rest of it comes in over the wires?

The WITNESS. Yes.

The COURT. You have employees in the home office?

The WITNESS. In our office?

The COURT. Yes, operators.

The WITNESS. Yes, operators on the board.

The COURT. And you carry a rather wide supply of different records?

The WITNESS. Yes.

The COURT. And on the jukeboxes you have records there?

The WITNESS. Yes.

The COURT. But you only have five or six jukeboxes?

The WITNESS. Yes.

The COURT. Now, you belong to the union, and your partner belongs?

The WITNESS. Yes.

The COURT. And then both of you or your firm belongs to the association?

The WITNESS. Yes.

The COURT. And it costs money to belong to the union and the association?

The WITNESS. Yes.

The COURT. What amount of dues do you pay, the amount of fee you pay the association is based on the number of music boxes or jukeboxes that you have, isn't it? The figure is based on that basic figure. In other words, you take in money on these music boxes and jukeboxes every week?

The WITNESS. Yes.

The COURT. And these unions and the Association must have some way of figuring out what you pay, haven't they?

The WITNESS. Well, I imagine they have.

The COURT. They don't go over in the box and take everything?

The WITNESS. No. At the time I went up to join, I didn't ask them how much a box. I said, "how much do I pay?"

The COURT. To make it easy for you, do you pay the union directly?

The WITNESS. Yes.

The COURT. Do you pay the association direct each month?

The WITNESS. Yes.

The COURT. Does the association bill you each month?

The WITNESS. Yes.

The COURT. Does the union bill you each month?

The WITNESS. Yes.

The COURT. When you bought the business out, you had how many boxes?

The WITNESS. All together we had 27 on wire and 18 on jukes. We have pulled jukes and installed wire.

The COURT. You had the same number of units?

The WITNESS. Yes.

The COURT. What is it, 18, and what is the other figure?

The WITNESS. 18, and 27 wired.

The COURT. You are converting the jukes to wire?

The WITNESS. Yes.

The COURT. But you have the same number of——

The WITNESS. Of spots.

The COURT. And you pay the union each month, and you pay the association and the check goes directly to the union and the association.

The WITNESS. Yes.

Mr. GARBNER. How many boxes have you?

The WITNESS. About 45 or 46.

The COURT. Do you know how the union makes up those billings to you?

The WITNESS. They mail me a bill for dues.

The COURT. Do you know how the association makes up its statement for you?

The WITNESS. The association bills us, too, yes.

The COURT. How much do you pay the union?

The WITNESS. \$15.75 is marked on the bill for me, and \$15.75 for my partner, and the association sends in a bill for \$13.50, and we make out a check and send it in.

The COURT. Do you know how that bill from the association is made up?

The WITNESS. No.

The COURT. 30 cents a machine is what they charge?

The WITNESS. Yes.

The COURT. 45 times 30 is \$13.50, right?

The WITNESS. Yes.

The COURT. And how much is 45 times 70.

Mr. GARBNER. \$31.50.

The COURT. You see how easy it is. They charge you 70 cents per unit. Now that \$10 you take out of each machine at the end of each week, and when I say each machine, I mean each jukebox or each music box that you deduct for your service charge?

The WITNESS. It is a fixed charge for service.

The COURT. Cost of service?

The WITNESS. Yes.

The COURT. And the balance used to pay your bills?

The WITNESS. Yes.

The COURT. 50% to the operator and you take out 50% yourself?

The WITNESS. Yes.

The COURT. From the 50% for yourself you pay your fees to the union, your dues?

The WITNESS. It isn't out of that particular money.

The COURT. What?

The WITNESS. It isn't out of that particular ten.

The COURT. You put the money altogether, but it is charged up against it?

The WITNESS. I tell you why we charge that commission.

The COURT. If it isn't paid out of money paid out of the jukeboxes or music boxes, tell me where it comes from?

The WITNESS. The collections out of the jukeboxes?

The COURT. All of the money comes out of the jukeboxes?

The WITNESS. Yes.

The COURT. And all of the money ultimately gets into the hands of your cashier or bookkeeper?

The WITNESS. Yes.

The COURT. And the only money you have left out of the jukeboxes or music boxes or cabinets is the \$10 you get each week from each one of the units, plus 50% of the balance left.

The WITNESS. If there is \$40 in the box, we split it down half and then we take a \$5 service charge. Now, we have never told the customers that that \$5 was for anything else, but our service or overhead.

The COURT. Well, we will say the box produces \$40, then you get \$5 out of it?

The WITNESS. We split it down half and take five off their share.

The COURT. Five off their share?

The WITNESS. Yes.

The COURT. And add that to your 50%?

The WITNESS. Yes.

The COURT. So in this case, with the box producing \$40.40, you took out \$20.20 for your share?

The WITNESS. Yes.

The COURT. One-half of that?

The WITNESS. Yes.

The COURT. And the other fellow would have \$20.20 coming minus the five you took for your share?

The WITNESS. Yes.

The COURT. So his share would be \$15.20?

The WITNESS. Yes.

The COURT. And yours would be \$20.20 plus \$5?

The WITNESS. That's right.

The COURT. Now, in that case you would get \$25.20?

The WITNESS. Yes.

The COURT. And he would be getting \$15.20?

The WITNESS. Yes.

The COURT. Out of the \$25.20 you would get, you would have to look out for your overhead?

The WITNESS. Correct.

The COURT. And part of your overhead then would be the amount that you were paying to the union?

The WITNESS. That's only one bill, that's all.

The COURT. And the 30 cents on each machine to the association?

The WITNESS. \$31.50 to the union and \$13.50 to the association.

The COURT. Anything else you want?

Mr. GARBER. No, I guess not.

(Witness excused.)

JAMES JOHNSTON, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. GARBER:

- Q. What is your name, please?—A. James Johnston.  
 Q. Where do you live?—A. 4352 West Philadelphia.  
 Q. By whom are you employed?—A. Marquette Music.  
 Q. How long have you been so employed?—A. Oh, I have been there about two years now, about a year and nine months.  
 Q. In what capacity?—A. As collector.  
 Q. Now, is one of your stops the Jefferson Cafe?—A. Yes.  
 Q. How long have you been collecting there?—A. Oh, about fifteen months.  
 Q. That is 600 West Jefferson?—A. Yes.  
 Q. Now, I will show you Grand Jury exhibit 105, and ask you if that is your name on there?—A. It is, sir.  
 Q. You made out that slip?—A. Yes.  
 Q. According to this slip, the total in the box was \$17.85.—A. Yes.  
 Q. And the commission that you turned over to him was \$7.45.—A. Yes.  
 Q. And you took an extra \$3.—A. \$1.50—\$3.00.  
 Q. What is that \$3 for?—A. A \$1.50 service charge.  
 Q. What is the other \$1.50?—A. That is their share.  
 Q. Wait a minute. \$1.50.—A. I will tell you how this is.  
 Q. Let's use another piece of paper.—A. Say there is \$17.85 in there, divide that by two on a 50/50 basis. We will make this 90 cents, so it will come out even it will be \$8.85. If I give it to him that way, he gives me back \$1.50.  
 Q. That \$1.50, what is that for?—A. Service charge.  
 Q. Charged by whom?—A. By the Marquette Music.  
 Q. Who gets it?—A. They do.  
 Q. Did you ever tell him that was to pay the union?—A. No, sir; never.  
 Q. Is that to pay the union?—A. No, sir.  
 Q. You turn that in to the Marquette Music?—A. Yes.  
 Q. How long have you been making these charges on the boxes?—A. Well, ever since I have been collecting.  
 Q. 15 months?—A. Yes.  
 Q. Do you do that on every box, make a \$1.50 charge?—A. No; I would say that would be the most; yes, most of them.  
 Q. What do you get? Do you get a larger amount than that on other boxes?—A. Ordinarily, with the exception of remote. We have some 60/40, but that is about the same.  
 Q. But you make a charge on every box for servicing them?—A. Yes.  
 Q. And that amounts to about \$6 a month?—A. Approximately; yes.  
 Q. You're sure you don't pay that to the union, that that is not a union collection?—A. No.  
 Q. Are you a union member?—A. Yes.  
 Q. What union do you belong to?—A. F. of L.  
 Q. What local?—A. Well, you have me, the number—it is a long number.  
 The COURT. Carry your card with you?  
 The WITNESS. No; I have that in my box.

By Mr. GARBER:

- Q. You pay your own dues?—A. Yes.  
 Q. Deducted from your salary?—A. Yes.  
 Q. How much?—A. \$15 a month.  
 Q. Every month?—A. Yes.  
 Q. How much is your salary?—A. We are on commission.  
 Q. What commission?—A. We work on 15%.  
 Q. What is your average for the week?—A. Oh, it changes.  
 Q. Well, how much do you usually take home?—A. Well, I would say in the neighborhood of—I would say around \$85 or \$90.  
 Q. \$85 or \$90 a week?—A. Yes.  
 Q. Out of that they deduct your \$15 a month dues?—A. Yes. It may run a little over sometimes and may run a little less, according to the business.  
 The COURT. You are the collector?  
 The WITNESS. Yes.  
 The COURT. And service man?  
 The WITNESS. No; collector.

By Mr. GARBER:

Q. Do you get 10% of the take for the company or 10% from the box?—  
A. 15% from the company.

Q. Do you get 15% of the \$1.50 you collect, too?—A. Yes, that's in there.

Q. That all goes to build it up?—A. Yes.

Q. So you collect 15% of the service charges as well for your salary?—A. Yes; that's included, yes.

Q. That is considered in the net from the machine.—A. The gross net, or take for the company.

Q. That is considered subject to a commission earned by you when you bring it in?—A. Yes.

The COURT. Have you any new Wurlitzers?

The WITNESS. No, sir.

The COURT. Why not?

The WITNESS. I don't know.

The COURT. Have you got some other new machines?

The WITNESS. Yes.

The COURT. But you haven't any new Wurlitzers?

The WITNESS. No.

The COURT. Have you any old Wurlitzers?

The WITNESS. Yes.

The COURT. Have you bought any Wurlitzers in the last year?

The WITNESS. I couldn't tell you that.

The COURT. Do you know why your company is not buying new Wurlitzers?

The WITNESS. I don't know.

By Mr. GARBER:

Q. What kind of a machine do you buy new, that is, what are some of the makes?—A. The Aireon.

Q. Who sells those?—A. Who sells those?

Q. Yes.—A. Aireon? I don't know who sells them.

The COURT. Your company, the Marquette, is distributor of Aireons, isn't it?

The WITNESS. Yes, but I don't work out of that office.

The COURT. The main office distributes Aireons?

The WITNESS. Yes.

The COURT. Your company is an operator and a distributor?

The WITNESS. Yes.

The COURT. What other machines are your main ones, besides the Aireon?

The WITNESS. I don't know of any other.

The COURT. How do you spell that?

The WITNESS. A-r-e-o-n I guess it is.

By Mr. GARBER:

Q. What office do you work out of?—A. On Beaubien.

Q. Over near police headquarters?—A. Yes.

Mr. GARBER. I guess that's all I have.

The COURT. You deduct \$3 a machine per week?

The WITNESS. No, \$1.50 from the owner.

The COURT. You take \$1.50 from the owner's share each week?

The WITNESS. Yes.

The COURT. The share of the owner of the spot?

The WITNESS. Yes.

The COURT. \$1.50 each week?

The WITNESS. Yes.

The COURT. That amounts to approximately \$6 a month.

The WITNESS. Yes.

The COURT. How much does it actually cost to keep a machine up in parts, servicing it?

The WITNESS. I couldn't tell you that. Some machines will run a lot. Sometimes on a machine they will call the service men three or four times a day.

The COURT. That fund of \$1.50 from each owner's share is to be kept in kind of a sinking fund to take care of those payments?

The WITNESS. Yes, some machines will run a lot more than others.

Mr. GARBER. What is the most you will collect for service calls?

The WITNESS. That would be the most.

Mr. GARBER. As a matter of fact, this is kind of a funny way of figuring here. You are only supposed to pay \$1.50, but when you get through you have \$3 more than the other guy.

The COURT. They take really \$3.

Mr. GARBER. That is what it amounts to.

The WITNESS. You could rearrange that bill around, like I told you, I can give him \$8.95 and he gives me back \$1.50 and you have the same total.

The COURT. \$3 is deducted first from the take, that would be \$1.50 out of your share?

The WITNESS. Yes.

The COURT. And you split the other 50/50?

The WITNESS. Yes.

Mr. GARBER. It means they get \$3 each week more than the owner of the spot does out of that machine.

The COURT. Yes.

Mr. GARBER. A little high finance.

The COURT. Yes; a little frenzied finance. You go to the machine to collect and take \$3 out and put it in one package and split the other 50/50.

Mr. GARBER. That's what it amounts to.

The WITNESS. If you look at it that way, yes.

Mr. GARBER. How can you look at it any other way?

The WITNESS. Well—

The COURT. The figures are kind of tricky, but they don't lie.

Mr. GARBER. Take a look at that on this bill. How much did you get more than the other fellow?

The WITNESS. Well, there is one we were looking at.

Mr. GARBER. Look at this one.

The WITNESS. \$3. Say there is \$20. Here is the money. Half it out, ten for you and ten for me, 50/50.

Mr. GARBER. Now, you owe me \$1.50 and you have \$7.50, and I am going out of there with \$11.50, and he has only \$8.50, rather.

The WITNESS. Let's put it this way: Suppose we have half and we will give you fifty-fifty for that. We would still be \$1.50 ahead of the take we get in there.

Mr. GARBER. Why are you entitled to pay half the expenses, then, for that machine? In other words, you let him pay all of the expenses and the balance is split 50/50.

The WITNESS. Oh, I don't know if he pays all the expenses.

Mr. GARBER. You still leave there with \$3 each time more than he gets, any way you figure it.

The WITNESS. Well—

Mr. GARBER. There is an old saying, figures don't lie, but liars can figure. You have heard that one, haven't you? Well, that's about the way that one works.

The COURT. Well, that's about all, I guess.

Mr. GARBER. Yes; but you are positive that money goes right back into the coffers of the Marquette Music Company?

The WITNESS. Yes.

Mr. GARBER. Not to the union?

The WITNESS. Not to the union.

Mr. GARBER. And that increases your pay 30 cents to collect that extra \$3?

The WITNESS. That's right.

Mr. GARBER. Okay.

(Witness excused.)

EUGENE C. JAMES, having been previously duly sworn, was recalled, examined and testified further as follows:

The COURT. Mr. James, you have been returned from the County Jail. As I understand it, you want to tell a full and completely truthful story with reference to the matters you were being questioned on the other day, before being sentenced for contempt of court. You are still under oath and still a Grand Jury witness, and you will be examined by one of the assistants here.

The WITNESS. Well, the thing I wanted to say to you was—I told you before I left here, I had misrepresented about those companies, and I am in position to clarify it and explain to you what went on and everything you want to know about it. That is what I was guilty of perjury for.

Examination by Mr. MOLL:

Q. What is it you want to tell us?—A. Well, anything you want to know about it.

Q. Well, I wasn't here during all of your testimony.—A. Well, I denied the ownership or having any part of ownership or my wife having any part of ownership in the Marquette Distributing Company, and my wife does own stock.

Q. That is DeSchryver's company?—A. Yes.

Q. What was that transaction?—A. Well, he has a new phonograph never been manufactured before, and he had a chance to get the distribution for it, and so, after it got going, I told him, I said, "Vic, I would like to be in on it," and he said, "I will be glad to have you." Vic and I have always been good friends. They hadn't been making these machines for a few years and now they were starting up again, and I was having trouble with this outfit, and our people were getting kicked around, and they refused to sell to union members, and we wanted someplace where we could get phonographs. I wanted to have a connection somewhere, so I could supply our people. It has been a losing proposition all along, and Vic has put a lot of money into it, and I think the most money I put into it was about \$3,300 or \$3,600.

Q. Wasn't it \$7,000?—A. Oh hell, no.

Q. Just a minute.—A. Here, I have the dope, right here. There is a check to Marquette Distributing Company for \$3,100.

Q. Yes, I remember one of those.—A. And I think at that time that cleaned my bank account out, and I had some money in savings, that is for my wife.

Q. What was that, your wife's checking account?—A. She is hunting for the check. She put in \$3,100 and if I remember, that cleaned the bank, and I had to go to the savings and take out some cash, and if I remember, to the best of my recollection, it was two or three hundred dollars, and that is all the damn stock I ever got.

Q. What did you do, buy the stock in your wife's name?—A. My wife wrote the check for it.

Q. Is it her stock or yours?—A. It is her stock.

Q. Was it understood you were to have the stock?—A. No, sir, it is my wife's stock.

Q. Wasn't there some transaction where you put \$7,000 into it?—A. No, I never put no \$7,000 into it. I know what I put into it. I have the check, and my wife's signature is on the check, and I know the amount.

MR. GARBER. Did Mr. DeSchryver give you some money for you to buy some stock for him?

THE WITNESS. Yes.

MR. GARBER. What was that deal?

THE WITNESS. That was a deal, at one time there was another guy interested in Vic's company.

MR. GARBER. Who was it?

THE WITNESS. Joe Brilliant.

MR. GARBER. You bought him out?

THE WITNESS. I bought the stock from Joe—I bought the stock from Joe, yes.

MR. GARBER. How much did that amount to?

THE WITNESS. \$7,000.

MR. GARBER. Whose name is that stock in now?

THE WITNESS. Whose name is that stock in?

MR. GARBER. Yes.

THE WITNESS. It is in—I don't know.

MR. GARBER. It is in your name?

THE WITNESS. No; it isn't. I don't own the stock.

MR. GARBER. Weren't you holding it in trust for DeSchryver?

THE WITNESS. No; DeSchryver has got it if anybody has got it. I haven't got it, never did have it.

THE COURT. What did you do with it?

THE WITNESS. Sir?

THE COURT. What did you do with it?

THE WITNESS. He wanted to buy this guy out and asked me if I would go over and buy it.

THE COURT. Buy out who?

THE WITNESS. The stock Joe Brilliant held in his company.

MR. MOLL. Which company?

THE WITNESS. Marquette Distributing.

THE COURT. He wanted you to buy that out?

THE WITNESS. Yes.

THE COURT. Who furnished the money?

THE WITNESS. Mr. DeSchryver.

THE COURT. Did you bank the money?

THE WITNESS. Yes; and checked against it.

THE COURT. You banked it in your account?

THE WITNESS. Yes.



The COURT. And checked against it and gave it to Brilliant?

The WITNESS. Yes.

The COURT. And Brilliant transferred the stock to you?

The WITNESS. He gave me the stock and I gave it back to DeSchryver.

The COURT. Why didn't DeSchryver do it directly?

The WITNESS. I don't think Joe would have sold it to him.

The COURT. Did Brilliant find out you bought the stock for DeSchryver?

The WITNESS. Not to my knowledge.

The COURT. So, as far as Brilliant is concerned, he now thinks you hold the stock you formerly held?

The WITNESS. I don't think that's true, Judge.

The COURT. Just Moll asked you about \$7,000 worth of stock, or a check for \$7,000?

The WITNESS. I have the check.

The COURT. He asked you that innocently because he had some recollection of that deal. Now, you are here, at your own request to purge yourself of contempt and we stayed here tonight to listen to you. Now, you aren't going to tell us that—

The WITNESS. I told you Judge, that—

The COURT. You weren't going to tell it until Garber hit you with that question. If that is what you intend to do, Mr. James—

The WITNESS. Judge—

The COURT. Just a minute. We want you to tell us, frankly, about these deals, even though we don't happen to ask you a particular question. You know the whole transaction.

The WITNESS. I told you the reason I didn't tell that was because if they found out these distributors—I didn't want them to lose the distributorship. I don't know, what the hell—

The COURT. What we are here for is having a witness tell the truth, so that when we decide, we won't hurt an innocent party. Therefore, if you only tell the half truth, the Grand Jury may be in a position it can't tell what is going on, and an innocent person may be indicted. Now, if you want to be a witness, that's one thing, a witness without an indictment. If you want to be a witness on behalf of the people, that's another thing. In that case you won't be a defendant. We want a frank story. We are going to use you just as fairly as the circumstances will permit, so tell the whole story, not only part of it.

The WITNESS. I came over here to clarify this question. I told you I was lying about it before.

The COURT. You offered to do that the other night.

The WITNESS. Well, I told you that wasn't true, and if you are going to put me in jail for it, there is nothing I can do about it. I don't think it is right for you—

The COURT. Now, James—

The WITNESS. I want to say one thing.

The COURT. You look to me like a fellow just as dumb as a fox. You are pretty smart.

The WITNESS. No, I am pretty dumb.

The COURT. I wish I was as smart as you are, when I was your age.

The WITNESS. The thing that burns me up about the whole thing, is for a number of years you could go to any of the police departments, even to the courts, and you couldn't get any help anywhere, but now we have worked this thing out, and this thing is cleaner than it has ever been in 25 years.

The COURT. Well, we are not witnesses. You are to be the witness, so we have to have you on the record, and there will be proper questions propounded to you, and we want you to truthfully answer them, and then we are going to give careful consideration to the things you say.

The WITNESS. Judge, if I have done anything I deserve to be indicted for, I want you to indict me.

The COURT. We know some of the trouble you are in. We know some of these fellows are trying to break in.

The WITNESS. If I have done anything illegal, all right.

The COURT. You tell a full story. If you can't tell it fast enough, you will be going back to that stone house.

The WITNESS. I expect you to put me back.

The COURT. All right, now, let's hear what you have to say.

By Mr. MOLL:

Q. Let's go back to the organization of the association. You told us in your previous testimony, so far as you recollect, your local was chartered along in the fall of 1944?—A. Somewhere around in there.

Q. That was a new charter?—A. Yes.

Q. For which you made application?—A. Yes.

Q. Anybody assist you in getting that charter?—A. Oh, I talked to only one man.

Q. Who was that?—A. Well, Mr. Martel helped me get it.

Q. Who is that?—A. Frank Martel. He was a great help to me in getting it.

Q. Did any of the operators, who later became association members assist you?—A. No, Mr. Moll, they couldn't do anything about it if they wanted to.

Q. Did you discuss with them the possibility or feasibility of chartering a new local here to cooperate with the association to be formed?—A. No, sir, the way I started this union—I will show you the application card and all about it. I signed these people up, I got about 18 or 20 people scattered around in different companies, and I went in there six months before and they gave me no consideration at all, and then I had these people organized, and I went to their old association, before this one was ever formed, before it was thought of being formed, and I tried to talk to them, and they wouldn't do any business with me, and I went out and organized more people, and I had 40 or 50 signed applications before I talked to the association, and they said this thing is no good, we have the wrong people in it, and we are going to organize a new association, and I said if you do I want to talk to you, and I did, and we got together and they raised the standards of their people, they raised their commissions, shorter hours and a higher minimum, and every one of my members got good commissions, good pay, and then after they fought the association, I went in and negotiated a new agreement, a blanket agreement, and at that time their association wasn't built up completely, they had only a few members, and it was in the agreement they wouldn't take any members in the association without membership in the union, and I have members in my union today that don't belong to the association.

Q. Didn't you originally get called in and didn't they discuss with you the possibility of chartering a new local?—A. No, sir, I got the charter.

Q. Well, all I know is what some of them tell us.—A. Well, I don't care. I am telling you the truth. I got the charter, and nobody got it, and nobody in Detroit could have got it outside of me and one other man.

Q. I am just asking you.—A. Well, I am trying to tell you.

Q. Did they discuss with you at first the possibility of getting a charter and working in cooperation with that association to be formed?—A. No, sir, I had the charter and I went to them, and after it was formed I told them I thought for the welfare of the people, the union should work in conjunction with the association. I have been doing this work for fifteen years.

Q. To be perfectly fair with you, some of them have told us they contacted you and discussed with you the possibility of getting a charter, and you heading up a new local to be organized, and at which time they talked to you you said you didn't know anything about the music business, and you didn't know whether you would be interested in it or not.—A. There might have been some conversation like that. I don't know about that. There was nothing there in any way to indicate that wasn't right, because I have been in this business long enough to know it has to be right.

Q. Well, you got the charter then without any suggestion from any of the operators?—A. Mr. Moll, I couldn't say offhand, but it seems to me I had applications signed up before the charter was granted, because it takes a long time after you apply for a charter, before it is granted, and I couldn't say and be positive about it, but I think I had men signed up long before I got my charter, but there was no action on it until I got my charter, but I had been working on it for some time. It might be some time during 1944 some of these association members discussed with you the possibility of a new local. Well, that is a question I can't say yes or no. I don't know whether they did or not.

Q. I can't answer it for you.—A. I am telling you truthfully.

Q. Did you go to Cleveland with any of the operators before the association was organized?—A. Before the association was organized? No.

Q. Before your contract was signed in January?—A. I think I went down to see a fellow down there, and talked to him about the union, I. B. W.

Q. Did you go down with any of the operators?—A. Before the contract was signed? Not to the best of my knowledge.

Q. Did you stay at the Hollender Hotel?—A. I have stayed there lots of times.

Q. With some of these operators?—A. I don't know if I stayed at the Hollender with anybody or not.

The COURT. Did you stay at the Cleveland?

The WITNESS. That's when the convention was on.

The COURT. Did you stay at any hotel, at the Statler, Hollender, or any other hotel in Cleveland with any of the operators?

The WITNESS. Yes, I took my wife, and four or five other guys took their wives to the convention. That was the operators' convention.

By Mr. MOLL:

A. When was that?—A. I don't remember the date.

Q. Was that before or after the contract was signed?—A. That was away after the contract was signed.

Q. I am talking about your going to Cleveland before the contract was signed.—A. I don't remember. I never had any object of going there with anybody before the contract was signed.

Q. To be more specific, did you go down and talk to Dixon and Presser with some of the operators?—A. Not before the contract was signed.

Q. To get a line and to see how their union was operating, and their association?—A. I went down alone.

Q. Not with the operators?—A. Not to the best of my knowledge.

Q. I don't know what you mean, and I don't think the Court understands what you mean by, "not to the best of your knowledge." Either answer yes or no.—A. If I say yes, I am not positive. If I say no—I don't want to lie about it.

The COURT. So you take the fence.

The WITNESS. I don't know, Judge.

The COURT. In that way, you see, Mr. James, you get into a position where your answers tend to be evasive. Now, I would know if I went to Cleveland with you, or if I with to New York with you, and especially if I hadn't dealt with a man before, I would recollect thoroughly and distinctively when I went with you.

The WITNESS. Maybe, Judge, that is possible, but I have made a lot of trips to Cleveland—I have made 40 trips down there.

The COURT. With these music operators?

The WITNESS. I have went down there several times. I talked to Leo Dixon, and I have talked to Leo Dixon many times, but I didn't talk union matters. I have talked about other stuff to him, and I talked with him as to how their union functions down there, yes, that's true.

The COURT. Before you got interested in this new charter, we have been speaking about, you never had any direct contract with these music venders.

The WITNESS. Here in Detroit?

The COURT. Yes, except just going around on your own accord?

The WITNESS. No.

The COURT. Now, when you went down to Cleveland, you talked to Dixon, you were talking to the head man in the association in Ohio?

The WITNESS. Yes.

The COURT. Just like in Detroit?

The WITNESS. Yes.

The COURT. Now, you would have a damn good message to deliver to Dixon when you went there, and you would recollect what you are going there for, and you would recollect what you said and what he said, and who was with you.

The WITNESS. Judge, I never made any direct trips to Cleveland to see Leo Dixon, that I can remember.

By Mr. MOLL:

Q. Did you ever go down there to see Presser?—A. Yes.

Q. With any of these operators?—A. Well, there was operators there when I talked to Presser. He might have went down at the same time. I remember one time three of us went down on the plane, they had some kind of an outing or a convention for all of their membership. It was put on there by the association, and Presser was invited by the association, and when these fellows went here, they invited me to go with them.

The COURT. Who?

The WITNESS. I think it was Joe Brilliant. Wait a minute. Yes, I believe it was Joe Brilliant, and if I remember right—I am not sure whether Vic went or not, but I think it was Joe and Vic and I.

By Mr. MOLL:

Q. Was that before the contract was signed?—A. No, I think the contract was already in force.

Q. Is that the way you want to answer it?—A. I am answering the best I know how to answer it.

Q. Well, I don't know what you mean, whether you went down there with Brilliant and Vic DeSchryver before or after the contract was signed.—A. I don't remember. If you want me to say I went before, I went before—I don't know.

Q. No, no.—A. I can't answer it, Judge. I don't remember. I can't remember whether they were with me before or after. I have been there several times and I know I talked to all of the people you are talking about. I can't tell you what we talked about.

Q. All right, what did you talk about?—A. I wanted to know how the union functioned, how they were keeping them together; they had had it for eight years, how it functioned, how it worked, how it was chartered, how much dues he charged, and I wanted to know all about it, the functioning of it all the way through.

Q. And what were you told?—A. He told me pretty much how it worked.

Q. You are referring now to Presser?—A. Yes.

Q. This discussion was in the presence of DeSchryver and Brilliant?—A. Yes; to the best of my knowledge they were there with Dixon. There were no secrets about it, nobody was asked to leave the room to talk any of these things over.

Q. Were you there when Presser told some of the operators he was going to charge them for his services in setting up the union here?—A. No, sir.

Q. Do you know Presser was paid \$5,000?—A. I never heard that.

Q. Do you know anything about it?—A. No sir; I had nothing to do with it.

Q. Do you know how it came about?—A. No, sir; I don't know how he came to get it, if he did get it, and I don't know who gave it to him, and I don't know who raised the money, but I have heard it was done.

Q. What would you say if Presser had represented to these people it was necessary for him to grease his way into Detroit as a reason for the payment of \$5,000?—A. I would have to say something I wouldn't want to say here, like I did the other night.

Q. What?—A. I would have to say he was mistaken.

Q. That is what the claim is, at least, Presser was paid \$5,000 for his services in opening the way to the local here in Detroit.—A. Well, if Presser told you that, Mr. Presser can tell you that, but he is a liar as far as I know anything about that transaction.

Q. What would you say if Presser represented it was necessary to have some union influence here in Detroit to make your union a success?—A. I don't think that would be too far out of line. If he would ask me for that, I would go along with Presser. He has been with the electrical workers 10 or 12 years, and I would probably help him any way I could.

Q. Did you ever discuss with Presser the necessity for getting Hoffa and Brennan on your side?—A. No.

Q. How do you account for the fact later on, and almost immediately Mrs. Hoffa and Mrs. Brennan went on your payroll?—A. I explained that all to you. You want me to go over it again?

Q. Yes.—A. I borrowed some money from them, I borrowed \$2,000 from Bert and Jimmy.

Q. That was in cash?—A. Yes.

Q. What was the date of it?—A. I don't know. I tried to get the dates while I was in jail over there.

The COURT. What evidence have you in writing you borrowed \$2,000 from Jimmy Hoffa and Bert Brennan?

The WITNESS. I haven't got a thing.

The COURT. What is the purpose of having a transaction of that type without something in writing?

The WITNESS. We just did it, Judge, that's all.

By Mr. MOLL:

Q. Did you ever give a note to them or either of them?—A. No.

The COURT. Was it their personal money they advanced to you?

The WITNESS. Yes; I tried to get it out of the Joint Council, because one time I was affiliated with the Joint Council.

The COURT. When did they give it to you?

The WITNESS. Sometime the latter part of 1944, I don't remember the date.

Mr. TRAVIS. For what purpose was the money borrowed?

The WITNESS. To organize the union.

Mr. TRAVIS. To recoup you for the money you had advanced?

The WITNESS. Sir?

Mr. TRAVIS. To repay you money you had advanced?

The WITNESS. No; any money I advanced, the local gave it back to me.

Mr. TRAVIS. Did they advance that money to the local or to you?

The WITNESS. They advanced the money to organize the local.

Mr. TRAVIS. Why don't the books show they advanced you \$2,000?

The WITNESS. There wasn't any local at the time I borrowed the \$2,000.

Mr. TRAVIS. There was a local sooner or later?

The WITNESS. Sure.

The COURT. At that time you borrowed this money you had a bank account?

The WITNESS. Yes.

The COURT. You don't recall the exact date you borrowed it?

The WITNESS. No.

The COURT. Did you bank it?

The WITNESS. At the time I borrowed the money?

The COURT. Yes.

The WITNESS. I don't think I had a bank account, because I carried the union money around for a long time before I could deposit it. I had over \$1,000.

The COURT. What did you do with the \$2,000?

The WITNESS. I spent it from time to time organizing.

The COURT. Where did you have it before you started to organize?

The WITNESS. In my pocket.

The COURT. You carried around \$2,000?

The WITNESS. Yes.

The COURT. You know that story—to me that is an incredible story.

The WITNESS. I carried that around lots of times.

The COURT. \$2,000?

The WITNESS. Yes.

Mr. TRAVIS. How long did it take you to use it up?

The WITNESS. A long while.

Mr. TRAVIS. Why did you get it all at one time?

The WITNESS. Because I wanted the money.

Mr. TRAVIS. What did you use it for?

The WITNESS. I told you to organize the local.

Mr. MOLL. Did you put any items of organizing on the books?

The WITNESS. I don't think I did.

Mr. TRAVIS. Why not?

The WITNESS. I told you I didn't put it on. There was no books set up, there wasn't nothing at that time.

By Mr. MOLL:

Q. You opened the union account early in February 1945, didn't you?—A. Yes; somewhere around there. I don't remember the date.

Q. In the National Bank of Detroit?—A. Yes.

Q. With a deposit of twenty-four-hundred-and-some-odd dollars.—A. Yes; I couldn't deposit before that. I had to keep the money.

Q. You have never had less than that in the union account, have you?—A. Since that time?

Q. Yes.—A. I think I got down pretty low a time or two.

Q. Did you ever get below \$2,400?—A. Mr. Moll, I can't answer that question.

Q. Well, goddamit, I have only seen your bank account, and I can remember it.—A. Well, you are——

Q. With all the other stuff I have in my mind, I can remember your bank account. If I can remember, you certainly can.—A. Maybe your memory is a lot better than mine.

The COURT. I will tell you, James, if you weren't a labor union organizer, you were an ordinary grand juror, you would have a very clear recollection of what your bank account was tonight.

The WITNESS. If I was what, Judge?

The COURT. Just an ordinary grand juror. In other words, if you were a grand juror making a living the hard way, you would know every dime you had.

The WITNESS. I know about what I have.

The COURT. Now, you are a labor leader, you have so much money you can't keep track of it.

The WITNESS. Oh, no, Judge, that isn't it.

By Mr. MOLL:

Q. Why weren't Hoffa and Brennan paid out of this amount deposited in February—A. I couldn't take any of that money and pay it out.

Q. Where did you get the money to pay Mrs. Hoffa and Mrs. Brennan?—A. I drew it out of the bank.

Q. The money paid to the local?—A. Sure.

Q. What is the difference?—A. There is a big difference.

Q. Explain to me the difference in paying back a loan to Hoffa and Brennan out of union funds, and going through the fiction of putting Mrs. Hoffa and Mrs. Brennan on your payroll, paying them \$6,000 on a \$2,000 loan?—A. The checks are made payable to the music maintenance workers union, and those checks have to be deposited.

Q. That's right.—A. I have to take them all and deposit them.

Q. That's right, so what?—A. And then I check against the account. Does that answer your question?

Q. No, hell, no.

The COURT. In other words, when you get a check you draw it against the funds of the union, you made it payable to Mrs. Hoffa and Mrs. Brennan?

The WITNESS. Yes, I wrote a check for that \$100 a week.

The COURT. \$89 a week to each of them. Now, Judge Moll, as I understand it, wants to know why you went through that rigamarole of giving two of those ladies a check for substantially \$90 a week instead of paying it all at one time.

Mr. MOLL. And paying back \$6,000 on a \$2,000 loan.

The COURT. Over a period of months, when you never owed them anything, and if you owed Brennan and Hoffa, why didn't you wait until you had the money and then pay it back to them?

The WITNESS. I tried to explain that to you the other night.

The COURT. I know, but you didn't do it.

By Mr. MOLL:

Q. Here is your story: You borrowed \$2,000 from two union heads in the city of Detroit for organization expenses, is that right?—A. Yes.

Q. You say you can't pay them back out of union funds, because it wouldn't look right.—A. I said legally I couldn't pay it back, I had no way to pay it back.

Q. All right, you said, in effect, the money was paid to the local by checks and dues-paying members, and you had to account for it on your books and therefore, you couldn't take \$2,000 legally for promotional expenses out of your local funds to pay back Hoffa and Brennan, so in a roundabout way you put these women on the payroll at \$100 a week, and paid them back over \$6,000 to wipe out that \$2,000 obligation, right out of union funds. How in the hell did you justify one and not the other?—A. I couldn't take any money and give it to anybody unless it went out on a check.

Q. Why didn't you give Hoffa and Brennan each a check?—A. Because there wasn't enough money to pay it.

Q. Why didn't you pay them \$100 a month?—A. If I did, to start with I would have to tell the board all about it, and the way it is, I have power under my constitution and by-laws, I can put anybody I want to on my payroll.

Q. You haven't got power to put fictitious people on the payroll?—A. They are not fictitious.

Mr. TRAVIS. You have thousands of dollars checked out of your account, and the only justification is ordinary expense, organization expense?

The WITNESS. That's true, probably.

Mr. TRAVIS. Well, it is true.

The WITNESS. Say, it is true, then.

Mr. TRAVIS. Why couldn't this \$1,000 each be checked out the same way?

The WITNESS. Because I didn't want too much organizational expense.

The COURT. From a legal standpoint, here is what happened: You borrowed \$2,000 from Hoffa and Brennan. Did you give you a \$1,000?

The WITNESS. Yes.

The COURT. You never paid Hoffa and Brennan back any of that money?

The WITNESS. We had it understood.

The COURT. You haven't given us the whole story of the record. You never paid them back the \$2,000 but you gave \$6,000 in weekly payments to their wives.

The WITNESS. You are talking in riddles that I don't understand.

Mr. MOLL. We don't understand you either.

The COURT. Do you know Mrs. Brennan paid back to Bert, her husband, the check you gave her each week?

The WITNESS. In my mind—

The COURT. No; answer the question. Did Brennan say he got the check?

The WITNESS. Sure, his wife knew about it.

The COURT. No; it isn't the wife's. Did Brennan tell you his wife used to turn over to him each week a check for \$89.40?

The WITNESS. Judge Murphy, I asked them to go along with me, and if you will listen I will explain it.

The COURT. Go ahead.

The WITNESS. I borrowed the money. I went to them and told them I couldn't pay it back unless it came out of the union. I said, "I will put you on the payroll," and they said, we can't be on the payrolls, and I suggested to them to put their wives on the payroll.

The COURT. Did they agree to it?

The WITNESS. Yes.

By Mr. MOLL:

Q. When did you talk to them?—A. I don't remember exactly.

Q. At their office?—A. No.

Q. Where?—A. I went to lunch with them, probably.

Q. Where did you talk to them?—A. I don't know. I am damned sure not going to be pinned down to something I don't know. I went to lunch with them.

Q. Where?—A. I don't remember.

The COURT. Cliff Bell's?

The WITNESS. No; I don't think so.

By Mr. MOLL:

Q. What did you say and what did each of them say?—A. I told you.

Q. Tell us again what they said and what you said.—A. I gave you the conversation we had to the best of my knowledge.

Q. Give it to us once more.—A. I said, "I have the money to pay you guys back, and I want to put you on the payroll."

Q. Was Brennan there?—A. Yes; and he said, "I can't go on the payroll because I am already on one payroll."

The COURT. Brennan said the same thing as Hoffa?

The WITNESS. They were both on a payroll already, and they refused to go on the payroll, and I said, "Let's put your wives on," and they said, "Well, okay," so I put their wives on and gave them their checks.

Mr. MOLL. Both of them said that?

The WITNESS. Yes.

Mr. GARBNER. Was that a personal loan to you, that \$1,000?

The WITNESS. A personal loan to me for the union.

Mr. GARBNER. There wasn't any union then?

The WITNESS. I was working on it.

Mr. GARBNER. It was really a personal loan to you?

The WITNESS. No. I didn't intend to pay it. The money was used for the union.

By Mr. MOLL:

Q. You borrowed \$2,000 before the union was organized and chartered?—A. I can't say about the dates. The charter speaks for itself, and the checks show when I started to pay it back. It was the latter part of 1944. I don't remember the exact amount of money.

Q. The \$2,000 was given to you personally, \$1,000 a piece?—A. Yes.

Q. Jimmy Hoffa and Bert Brennan each gave you \$1,000?—A. Yes.

The COURT. In cash?

The WITNESS. Yes.

By Mr. MOLL:

Q. Where did they pay you the money?—A. I had lunch with them and after we had lunch, they decided to do it, and I don't remember whether I went over there and picked it up, or they brought it to me. They might have given it to me at lunch.

Q. And you may have picked it up at their office, or they may have brought it to your office?—A. Yes; or at lunch.

Q. Each of them paid you \$1,000 in cash?—A. Yes.

Q. Was that in the presence of each other?—A. Yes, they were both there.

Q. At the time each of them paid you \$1,000?—A. Yes.

Q. They were both present at the same time and place?—A. They both knew what was going on.

Q. In what denominations was the money, do you remember?—A. It wasn't big bills, I don't remember.

The COURT. It wasn't in big bills?

The WITNESS. Not too big.

By Mr. MOLL:

Q. But it was currency?—A. Yes.

Q. Now, after you discussed paying this money back?—A. Yes; I told you that.

Q. And you suggested they go on your payroll?—A. Yes.

Q. And they suggested or said they couldn't under the union rules go on two payrolls?—A. Yes.

Q. Then you suggested to both of them their wives be placed on the payroll?—A. Yes.

Q. And both Mrs. Brennan and Mrs. Hoffa were placed on the payroll by you?—A. Yes.

Q. Neither one of them ever performed any services to the local?—A. No.

Q. Neither one of them ever incurred any expenses for which they were reimbursed?—A. Any expenses?

Q. Yes; they were on the payroll for salary and expenses?—A. No.

Q. They didn't incur any expenses on behalf of the local, did they?—A. Not to my knowledge.

Q. So they were paid out of local funds, ostensibly, for service and expense?—A. If you want to put it that way.

Q. I don't want to put it any way.—A. Well, I suppose that is about right.

Q. Neither one of them incurred any expense that you know of, anything for your local?—A. No; they weren't supposed to do nothing. I never asked them to do nothing.

Q. Neither one of them performed a day's service for you?—A. Not to my knowledge.

The COURT. Did you ever meet either one of them?

The WITNESS. Yes; I know them. I know them to see them.

By Mr. MOLL:

Q. Were these weekly payments made to them personally?—A. No.

Q. To whom?—A. They went through the mail.

Q. You mailed checks to both Mrs. Hoffa and Mrs. Brennan?—A. Yes.

Q. Each week?—A. That's right.

Q. Did you ever discuss with Jimmy Hoffa and Bert Brennan the checks you were mailing their wives?—A. Sure, I had to tell him something, I had to get their address, where to mail it, their social-security numbers.

Q. Did you ever discuss with them whether they knew that their wives had received these checks?—A. Well, I don't know. I suppose I did ask them that, I wanted to know if they got their checks, naturally.

The COURT. Did you reserve part of their wages for the purpose of paying the income tax on it?

The WITNESS. Well, the auditor—

The COURT. You being their employer?

The WITNESS. Yes; I think their deductions went out, whatever their deductions were, they will come out.

The COURT. Did you remit to the United States Government any money on behalf of Mrs. Brennan and Mrs. Hoffa?

The WITNESS. Sure, I did.

The COURT. As money in your possession, custody, and control, so as to be applied on their income tax?

The WITNESS. There was a deduction out of their checks, Judge.

The COURT. Was it deducted?

The WITNESS. Yes.

The COURT. Is that reflected on your books?

The WITNESS. Yes; it should be.

By Mr. MOLL:

Q. Did you, by this system of paying money weekly to Mrs. Hoffa and Mrs. Brennan, wipe out the claimed obligation of Jimmy Hoffa and Bert Brennan?—A. They said it was paid back and I should take them off, and I told them I thought they should be on for a while longer, because they were responsible for me building the local, and without that money I never would have been able to go ahead with it.



The COURT. The difference between what you borrowed from Brennan and Hoffa, and what you paid their wives——

The WITNESS. That is all there.

The COURT. That was quite a difference; about \$4,000?

The WITNESS. Yes.

The COURT. It wasn't an interest on the loan?

The WITNESS. I just figured I owed them that, and I gave it to them.

The COURT. Did you consider that interest on the loan?

The WITNESS. Yes.

The COURT. Or was it a payoff to them?

The WITNESS. It was no payoff, Judge.

The COURT. There was a difference of \$4,000.

The WITNESS. I gave it to them out of the graciousness of my heart.

The COURT. But that money belonged to the union.

The WITNESS. The union gave me the right to spend it. The constitution and bylaws gives me a right to spend it.

The COURT. Yes. The county gives me \$100,000 to spend on this grand jury, but out of the graciousness of my heart I can't be throwing the money around here.

The WITNESS. I didn't figure I wasted the money.

The COURT. Say, take \$500, I am a good fellow, here is a good fellow, I will give him a thousand.

The WITNESS. I figured it was well spent.

The COURT. If the grand juror did that he would land in Jackson.

By Mr. MOLL:

Q. Why do you figure the money is well spent?—A. Because they are big men, they could help me a lot. They know a lot of people, I never called on and I never met.

Q. Did they ever help you out?—A. No, I never had to call on them, just lucky enough I never needed them.

Q. Did either Jimmy Hoffa or Bert Brennan operate any music boxes?—A. No.

Q. In Wayne County?—A. If they do I don't know anything about it, and if they did I would know it.

Q. Did you ever read anything about it in the newspapers?—A. About Jimmy Hoffa owning music boxes?

Q. Yes.—A. No.

The COURT. Did he ever tell you a lot of his were seized?

The WITNESS. Sir?

The COURT. Did he ever tell you the sheriff seized boxes of his one time?

The WITNESS. I don't know anything about it.

The COURT. Pin balls?

The WITNESS. I don't know anything about pin balls.

Mr. SCHEMANSKE. Did the International representative check your books?

The WITNESS. I sent them the audit.

Mr. SCHEMANSKE. Did the auditor of the International check your books and did you make any statement in conjunction with paying them that money?

The WITNESS. I don't think the International has ever asked me anything like that.

Mr. SCHEMANSKE. Your books were checked by the auditor?

The WITNESS. Yes; they have to be audited ever so often. They have to approve the audit.

Mr. SCHEMANSKE. You say Hoffa and Brennan were not allowed on two payrolls of two locals?

The WITNESS. Yes.

Mr. SCHEMANSKE. When the auditor noticed the name of Mrs. Brennan and Mrs. Hoffa on the payroll, did he recognize them?

The WITNESS. Each International union, Mr. Schemanske, have different sets of bylaws to live by. The particular upon they are affiliated with, their constitution and bylaws says one payroll, but in other unions affiliated with the American Federation of Labor, because some of those fellows are on several payrolls of the American Federation of Labor, they have no control, but in the International union they do have some control over their own jurisdiction or their own field.

Mr. SCHEMANSKE. Were you ever questioned about the fact these two ladies were on the payroll?

The WITNESS. No, sir.

Mr. GARBER. Have you anybody else on that payroll in the same status?

The WITNESS. Sir?

Mr. GARBER. Anybody else on that payroll the same way?

The WITNESS. No.

Mr. GARBER. Have you got anything on that for Mr. Martel?

The WITNESS. No.

Mr. GARBER. Mr. Martel did more for you than Mr. Brannan. What have you got on for Frank?

The WITNESS. Nothing.

Mr. GARBER. What did you give him?

The WITNESS. "How do you do, thank you."

Mr. GARBER. Why were you so generous with Mr. Hoffa?

The WITNESS. Because I needed the money and he made me the loan and I felt he was a pretty good fellow.

Mr. GARBER. You told us here tonight if it wasn't for Mr. Frank Martel you wouldn't be in this union.

The WITNESS. That's right.

Mr. GARBER. Did you ever do anything for him?

The WITNESS. Yes; I helped him out with a lot of things.

Mr. GARBER. Did you ever give him any money?

The WITNESS. No.

Mr. GARBER. Any of his relatives on that payroll, too?

The WITNESS. No.

Mr. GARBER. Are you positive of that?

The WITNESS. Yes.

Mr. GARBER. Doesn't Mr. Martel come in for any of that promotional expense?

The WITNESS. No.

Mr. GARBER. How much have you given him?

The WITNESS. Given him nothing.

Mr. GARBER. That makes me laugh, too.

The WITNESS. That makes you laugh?

By Mr. MOLL:

Q. There were some pretty big promotional items the first few months, weren't there?—A. Sir?

Q. There were some pretty fair-sized promotional items on your books the first few months?—A. I needed a lot of money.

Q. You had \$2,000?—A. Yes.

Q. What did you spend money for?—A. Pickets.

Q. Your pickets go on a separate item?—A. Not in all cases.

Q. There are items for pickets.—A. Well, sometimes yes and sometimes no. I am pretty disappointed in all of you fellows.

The COURT. You mean we are not bright enough?

The WITNESS. No; when you started this grand jury, I thought you were interested in doing some good rather than just doing something to me.

By Mr. MOLL:

Q. You tell us. Here is February 23, 1945, Mr. James' salary and expense, \$346.80, also James' office equipment, rent and phone, \$368.21. It is all on there for February. Now, we get over to March and we find March 2nd, Cash, Organization Expense, \$40; March 5, cash, Organization Expense, \$150; March 8, cash, Organization Expense, \$150; cash, Organization Expense, \$40; March 15, Traveling Expense, \$60; cash, Organization Expense, \$50; Pickets, \$28; Pickets, \$40. Now, on March 22nd, cash—pardon me, Frank Remer, expense, \$30; cash, Organization Expense, \$81; then another item, cash, Organization Expense, \$40. So you see, you do list sometimes your organization expense separately, don't you?—A. Well, it's all organization expense, whether it says pickets or organization, it's all the same thing.

Q. You list organization expense separately from pickets?—A. What is pickets?

Q. God knows, I wouldn't know that.—A. Organization expense.

Q. Now, going into April, April 5, cash, Organization expense, \$150.

Mr. TRAVIS. \$150 seems to be a magic number.

By Mr. MOLL:

Q. Same date, organization expense, \$40; March 12—April 12, pardon me, cash, Organization expense, \$150; another item, cash, Organization expense, \$150; cash, Organization expense, \$60. So in one day you have \$360 organization expense.

Mr. TRAVIS. Why two separate checks for \$150 on the same day?

The WITNESS. I don't know, my memory isn't that good.

Mr. TRAVIS. Two separate checks for the same amount.

The WITNESS. I have eight or ten people working for me.

Mr. TRAVIS. Have you got some vouchers to support those expenses?

The WITNESS. Yes.

Mr. TRAVIS. Where are they?

The WITNESS. I don't know. You probably have them here.

Mr. MOLL. No, no.

By Mr. MOLL:

Q. Where are your cancelled vouchers for this local?—A. You have either got them or they are in the office.

Mr. TRAVIS. They are not in the office, and we haven't them here.

The WITNESS. They must be there unless you men took them away, unless the auditor got them. There is nothing to hide about them, I will tell you that.

By Mr. MOLL:

Q. You made out vouchers when you entered \$150 organization expense?—A. Mr. Moll, if you will let me tell you something about that, maybe I can relieve the pressure on your mind.

Q. That's fine, all right, go ahead, do.—A. Sometimes I am out and I will hire 20 pickets, 30 pickets. I have to pay them \$8 for 8 hours and you put enough pickets out—you will put three pickets on the street for one day, that is \$24. Those pickets are fly-by-night, you pick them up on Michigan Avenue or anywhere you can pick them up, and at the end of the day you write out a check and pay the pickets off. Say, I have ten pickets, 20 pickets, whatever it is, I write out a check for cash, and if we have enough cash in the office, we will cash the check there and give it to them.

Q. That relieves my blood pressure at least 20%.—A. I hope I could relieve it a little more than that.

Q. I have the highest blood pressure of anybody in town, right at this point. Well, there is no use, really, of going through any more of these items.—A. The auditor can tell you all about those.

Mr. TRAVIS. He didn't write those checks.

The WITNESS. I write the checks.

By Mr. MOLL:

Q. The auditor accepts your authorization.—A. I write the checks, but he audits the books.

Q. What the hell does he audit? Take, for instance, the cash item of organizational expense without a voucher, what is there to audit?—A. Organizational.

Q. He takes Jimmy James' word for it?—A. Yes.

Q. So you are the boy who knows, and the only one.

The COURT. You are a one-man corporation.

The WITNESS. No; I have a board, Judge.

By Mr. MOLL:

Q. Your president gets \$5 how often?—A. Whenever he attends a meeting.

Q. He must be a smart fellow.—A. You fellows are making it pretty tough for me.

Q. Listen, brother, we just got into this a week ago.

Mr. TRAVIS. He doesn't do as well as the pickets.

The WITNESS. No; he only makes \$120 a week.

By Mr. MOLL:

Q. How?—A. Collecting from juke boxes.

Q. Tell us about that?—A. He has a big route and he gets a percentage of commissions.

Q. He is a collector?—A. Yes; and I think he works a little at mechanical work.

Q. Who does he work for?—A. Right now he is running a call service of his own.

Q. Who did he work for?—A. He worked for Modern Music for a year.

Q. Who runs that?—A. A guy named Lipton or Lipke, and a guy named Schweitzer.

Mr. MOLL. Well, is there anything more you care to tell us?

The WITNESS. I will tell you anything you want to know.

Mr. GARBER. He has a pet peeve, Judge.

Mr. MOLL. What?

Mr. GARBER. In order to stop possibly the Wurlitzer Company, he was interested in getting into the distributing company over here, so he put in \$3,100 in there, and also bought out Mr. Brilliant because they were having some difficulty with the Wurlitzer Company of buying these particular machines or sets. That is his pet peeve, and I think he would like to tell us all about that.

The WITNESS. I have already told you.

Mr. GARBER. What is your pet peeve on that?

The WITNESS. I have no pet peeve on that.

Mr. GARBER. You have been in court and testified?

The WITNESS. Yes.

Mr. GARBER. And Mr. Barnard is your attorney.

The WITNESS. Yes.

Mr. GARBER. Mr. Barnard has called me up, sent over different opinions he obtained.

The WITNESS. I will tell you the whole situation. There is some difficulty.

Mr. GARBER. Between you and Wurlitzer.

The WITNESS. No; the difficulty lies—I don't think, the way I was raised, that any group of three or four men should go out and bulldoze and take away and run this business.

Mr. GARBER. Who are those men?

The WITNESS. I don't know more than hearsay.

Mr. GARBER. What is the hearsay?

The WITNESS. Well, the Bilvin Distributing Company.

Mr. GARBER. Who is supposed to be in back of the Bilvin Distributing Company?

The WITNESS. Well, I don't know. According to their incorporation of the company, whatever you call it, the dagoes seem to be connected with it.

Mr. GARBER. Do you know Mr. Bufalino?

The WITNESS. Yes.

Mr. GARBER. What do you know about him?

The WITNESS. He is a very reputable young man.

Mr. GARBER. Where did he come from?

The WITNESS. I don't know. I only saw him in court.

Mr. GARBER. Do you have any inside information on him?

The WITNESS. All I know, he is a relative of Angelo Meli's.

Mr. GARBER. Who is Angelo Meli?

The WITNESS. A gentleman that lives in the city of Detroit.

Mr. GARBER. Is he connected—

The WITNESS. He is on that payroll at \$100 a week as a salesman.

Mr. GARBER. Does he sell any?

The WITNESS. He testified in court he hasn't sold any yet.

Mr. GARBER. Who else is connected with that?

The WITNESS. You want my belief?

Mr. GARBER. Yes; what is it?

The WITNESS. I think Joe Bommarito and Mike Rubino, Pete Licovoli and Angelo Meli are connected with it.

Mr. GARBER. Is it their money?

The WITNESS. I don't know.

Mr. GARBER. Is Pete Carrado in it?

The WITNESS. I don't know him.

Mr. GARBER. Is Nick Ditta in it?

The WITNESS. I don't think so.

By Mr. MOLL:

Q. What do you know about Nick?—A. I just know him.

Q. How did you get to know him?—A. Just met him around the labor temple.

Q. What is the story on Nick? You want to tell us everything we want to know.—A. Anything I can tell you against that group of guys, I will tell you, but I don't know a damn thing to tell you.

Q. What is the story on Nick Ditta?—A. I never did like Nick Ditta.

Q. Why?—A. Because he was always the type of guy that wanted to shove people around. I went through this thing once before. I had my brains shot at a few times, and picked myself up in the streets. I went through this in the god-dam laundry work.

Q. In what line of endeavor does Nick push people around?—A. Any way he can.

Q. Where have you seen any evidence of pushing around by Nick Ditta?—A. I could show you a lot but if you bring them all in here, they wouldn't say nothing.

Q. I know that.—A. Why ask me something I don't know? I have had a helluva lot of trouble with that group.

The COURT. How would you like to take a look at the show-up squad? Some of your friends may be in there.

The WITNESS. I know them all.

By Mr. MOLL:

Q. What is Nick's claim to fame?—A. I have been fighting them 15 years and I ought to know.

Q. Does Nick fit in the picture?—A. In this music picture?

Q. Any picture.—A. I can't tell you what he does. All I know, the guy is always doing all right, is all I can tell you. I know he is in that clique.

Q. What other picture is Nick in?—A. That's the only picture I know. I did know they was in that picture when they shot me up. I didn't know about that but I found it out.

The COURT. Where did they shoot you up?

The WITNESS. Out at the Four Aces Cafe, in the laundry fight.

The COURT. Where is that?

The WITNESS. Out on Warren.

The COURT. Did they shoot you?

The WITNESS. They did a pretty good job, they cut the seat out of the car, filled my face full of glass, and I fell out of the car onto the street and got away.

Mr. WATSON. Shotguns?

The WITNESS. No, pistols.

By Mr. MOLL:

Q. You are a remarkable fellow, James.—A. They will go around ruining the business and you fellows know what is going on. If you are interested in getting to the bottom of the thing, go right on to the bottom of it. I will stand the investigating. You don't need to waste your time on me. I haven't done a damn thing that is wrong.

Q. Give us the story.—A. These guys are going around, muscling people around, they won't sell us these music cabinets, but they will sell them to these hoodlums, and the hoodlums will go out and push our members out in the street.

Mr. GARBER. Whose boxes have they pushed out?

The WITNESS. Different people.

Mr. GARBER. Who is doing it?

The WITNESS. Harlo Liberato is one of them.

Mr. GARBER. What does he put in?

The WITNESS. A Wurlitzer machine.

Mr. GARBER. What does he do with the account?

The WITNESS. He goes out and shoves them in on union members.

Mr. GARBER. Take their spot?

The WITNESS. Yes; he takes their spot. Find out the spots where we have had trouble.

By Mr. MOLL:

Q. Is he a member of the union?—A. No.

Q. Why don't you take him on?—A. He was a member. I took him in, and we tried to do the right thing with him.

Q. Did he walk out?—A. I threw him out, the board threw him out.

Q. But he is still operating?—A. Yes; but he sold out the other day.

Mr. GARBER. Is he this J. C. Music Company?

The WITNESS. I think that's him.

Mr. GARBER. He has quite a few boxes of his own?

The WITNESS. Yes.

Mr. GARBER. Around 50 or 60?

The WITNESS. More than that. He put about 100 of them on me.

By Mr. MOLL:

Q. Can't the union picket the spots?—A. If it is nonunion. Why don't you investigate all the music boxes they stole out of those places and then put Wurlitzer machines in? They take a place where they have a nonunion machine, and he is serviced by nonunion labor.

Q. How about this J. C. outfit?—A. Yes; I picketed him three times and I was in court and had an injunction pending over there on the 17th, and I was in jail and had to set it over. I have a restraining order against them.

Q. So, that has not been determined?—A. Sir?

Q. That has not been determined?—A. It was supposed to come up on the 17th, but it was postponed because I was penned up in jail—a nice place to be.

Q. They tell me it is very ratful over there.—A. Yes; it certainly is.

Mr. GARBER. What about these machines you say have been stolen?

The WITNESS. Go to this fellow that wrote that article in the paper, and Inspector McLellan, go to the precinct where these machines have been stolen.

Mr. GARBER. How many do you know of that have been stolen?

The WITNESS. Roughly, ten or fifteen.

Mr. GARBER. How were they stolen?

The WITNESS. Well, nobody could ever find out. The way they would do that, they would go in the place and it would just disappear, and the police would go to the location owner and he would never be there, never be there when the police was there, like the Diplomat and the Backstage, and about 15 other places like that, go out and find out what went with the people's money, seven or eight hundred dollars a copy everytime they get one of those machines.

Mr. GARBER. Where are some of the places?

The WITNESS. For instance, Harry Graham's Bar, the corner of Beaubien and—

Mr. GARBER. Jefferson and Beaubien?

The WITNESS. Yes.

Mr. GARBER. They got one over there last week?

The WITNESS. Well, maybe two or three weeks ago. They got a big red machine that cost \$150, full of cigarettes and everything else in it, and they have never found out nothing about that.

Mr. WATSON. Was that reported to the police?

The WITNESS. I called myself and reported it.

Mr. WATSON. Who owned the bar at that time?

The WITNESS. They had somebody else over there. I was restrained from going any place. I didn't go in, because I didn't want to break that injunction.

Mr. WATSON. Whose cigarette box was it?

The WITNESS. I would have to look at my record. It was a member of my union.

Mr. WATSON. We want to go into those things.

Mr. GARBER. We are interested in that, but you won't tell us the story about it.

The WITNESS. I am telling you all I know. I can't say Nick Ditta, Angelo Meli, or Pete Licavoli did it, but all the damn threats I got over the phone, I know they were mixed up in it.

Mr. WATSON. Did you hear Nick Ditta had an interest in Harry Graham's Bar at one time?

The WITNESS. I heard he did.

Mr. WATSON. He wouldn't be stealing from himself.

The WITNESS. No; I don't think he is that petty.

Mr. WATSON. Was it reported, you say?

The WITNESS. Yes; but the maangement of the bar apparently has done nothing about a complaint.

By Mr. MOLL:

Q. You claim the stolen machine turned up in Harry Graham's?—A. No; stole it out of there. They stole one out of the Backstage, a big machine worth \$750.

Mr. WATSON. You mean the police won't help you?

The WITNESS. The police can't do anything about it.

Mr. WATSON. Have any of them been recovered in another location?

The WITNESS. I don't know.

Mr. WATSON. Have they moved them out state?

The WITNESS. I have never been able to locate them.

Mr. GARBER. When did that start?

The WITNESS. That is the way they work. I have a list of locations covering 20 or 25 spots where we had boxes in, and they went up and broke the windows out, and muscled the boys around, and they threw our people out, and I went up there and had the police up there. Hell, that has been going on—I have a 136 men in this business, and every damn one of them are nice fellows, and every one of them owe their lives on this equipment. People are not all criminals in this business. It is a good, legitimate business.

Mr. GARBER. And well established.

The WITNESS. Some of them guys are head over heels in debt. It was a good business when you could buy music boxes for \$350 but it ain't too good when it is up like this.

Mr. MOLL. What's the reason for that?

The WITNESS. Increased cost of labor and I stuck it up my bid when I got the first contract?

Mr. MOLL. Where does the public come in here? What protection do they have?

The WITNESS. Increased cost of material and labor.

Mr. MOLL. And the poor guy paying the bill is old John Public. Where does he come in?

The WITNESS. His rates have never gone up in that business. He is not paying any more than a nickel. He paid a nickel when the boxes were three hundred, and he is still paying a nickel when it is worth \$1,000.

Mr. GARBER. Was it your plan, Mr. James, and Mr. Vic DeSchryver's to be able to help out your union members by selling them boxes?

The WITNESS. Mr. DeSchryver has never had enough boxes to grease a frying pan with until a month ago. What has been the big fight, they were the only ones that have anything.

Mr. GARBER. You mean Wurlitzers have a lot of boxes?

The WITNESS. Yes; I would send my members over to buy them, and they wouldn't sell them, they wanted to force them into giving them an interest in the business, and after they got in some locations, they would get into business, get going, and these fellows would put all their money into it, and don't have nothing left, and the first thing you know three or four muscle in on him, and throw him out, and they build up a million dollar route and sell it.

Mr. MOLL. Why can't you get an outfit like Wurlitzer to see the light of day?

The WITNESS. I have tried awfully hard, but I haven't been successful.

Mr. GARBER. When did this new Wurlitzer distributor come into being?

The WITNESS. It hasn't been too long. I am not good on dates.

Mr. GARBER. It has only been a matter of a few months.

The WITNESS. Yes.

Mr. GARBER. How did you get along with the outfit that had the Wurlitzer distributor before?

The WITNESS. Got along good.

Mr. GARBER. Those men all belonged to the union?

The WITNESS. Yes.

Mr. GARBER. Kept their dues paid up?

The WITNESS. Yes; everybody was happy.

Mr. GARBER. At that time your union members could use a Wurlitzer box?

The WITNESS. Yes; and get parts for them and everything.

Mr. GARBER. They claim you picket any place that has a new Wurlitzer now.

The WITNESS. I picketed them, I picketed their place, and the Judge give me permission to picket.

Mr. GARBER. What for?

The WITNESS. Because the man in that place belonged to the union, and had a labor contract, and when these people took it over they fired all of my help and got new people in there. I wasn't able to talk to anybody in authority. I made phone calls, and they would refer me to Joe Dokes, and I could never get hold of the right man, and I put a picket line on the place, and I got hold of the right man.

Mr. GARBER. Who did you get hold of?

The WITNESS. Angelo Meli.

Mr. GARBER. What did he tell you?

The WITNESS. Going to have a clean fight. He went into court, and the Judge issued a restraining order, and I went into court and fought the injunction, and he told me I had a right to picket, but I never put the pickets back on.

Mr. GARBER. Who gave you that, O'Hara?

The WITNESS. Yes.

Mr. GARBER. He gave you a decision you could picket as long as you didn't have groups sitting around in automobiles?

The WITNESS. He made a clause there, but I didn't put the pickets back.

Q. You could only keep three men there?—A. Yes; and three men wasn't enough. They would kick their brains out with three guys down there, and give them the muscle.

Mr. GARBER. Who would do that?

The WITNESS. I wouldn't know.

Mr. GARBER. Ever had any of your pickets beaten up?

The WITNESS. Yes.

Mr. GARBER. Where?

The WITNESS. Oh, several spots. The last one I think was out at a bar on the west side somewhere. They run up and cussed the pickets around, jerked their signs away from them, and got in the car and got away. I have had trouble with those guys for years.

Mr. GARBER. What did you mean they built up a million-dollar route and sold out?

The WITNESS. It would be very simple to do it, wouldn't it?

Mr. GARBER. I don't know. I don't know much about it.

The WITNESS. They have done it before.

Mr. GARBER. When did they do that?

The WITNESS. They will just go out and take brand-new equipment, and they low-plan it, about what it cost, one-third of one percent, put the thing on application, and they will collect for thirty, sixty, or ninety days, and then they turn around and make it tough for the location, and the poor guy can't make the payments, and then the stuff flies back to them.

Mr. MOLL. Now, the union isn't interested in all this warfare, so long as the union membership exists; is that right?

The WITNESS. I am interested in the welfare of the people in this industry, and if a man goes out today with a \$100 a week job I don't want to come down tomorrow and have a \$50 job.

Mr. MOLL. Does all this mean the union can't handle this Wurlitzer outfit?

The WITNESS. We haven't done too good a job at it, I will have to admit that.

Mr. GARBER. You are pretty well divided, the Wurlitzer outfit, you claim, are on one side, and the union on the other, and they are calling you a lot of names, as a union, and the union in turn is calling them names.

The WITNESS. No.

Mr. GARBER. You are against them?

The WITNESS. No, my board voted in open meeting to not work on those machines, and we don't work on them, but we can't tell them not to buy. They won't sell them to them if they did want to buy them.

Mr. GARBER. Have you at any time offered to pay \$100 in excess of the cost to take over a new Wurlitzer?

The WITNESS. I offered a fellow \$300 above the market price to get it, but I couldn't get them.

Mr. MOLL. Why was that?

The WITNESS. When they were moving in on us we didn't have anything to fight with.

Mr. MOLL. Why is Wurlitzer any better than any other machine?

The WITNESS. It isn't that.

Mr. GARBER. They make about three or four of the music machines.

The WITNESS. Before the war they did, but now there are more people in the field, there are some reliable people in it, and they are bringing out good machines. In another six months there will be enough equipment on the market they can buy what they need, but here for a few months they are the only guys that had anything.

Mr. TRAVIS. Have the employees of the Bilvin Distributing Company requested permission to join the union—if they should ask for permission, would they have any trouble getting in?

The WITNESS. If they came up there to me, made out application and put their name down, their initiation fee, I would accept them, and when the board met, if they approved them as members, they would be members.

Mr. TRAVIS. Would you still go back out and picket if they were turned down?

The WITNESS. If they were turned down for membership?

Mr. TRAVIS. Yes.

The WITNESS. They wouldn't turn them down unless they had good reason for it, but the people working for Wurlitzer are not the people I would be picketing.

Mr. WATSON. Mr. James, who are the powers that be in the Wurlitzer Company?

The WITNESS. Mike Hamerigan.

Mr. WATSON. Where are their headquarters?

The WITNESS. Down at Tonawanda, New York.

Mr. WATSON. Have you ever gone down there to talk to him?

The WITNESS. I talked to the head man over the telephone.

Mr. WATSON. Who was that, this Mike?

The WITNESS. No, I went over him. I went to the head man in the company, and I asked him if he was familiar with what was going on here, and other parts of the country, and he said, "Well, what is it?" And I advised him and



he said Mike Hamerigan was the general sales manager, and would I sit down and talk to him, and I said no, because he is the man put them in here.

Mr. WATSON. What is his background?

The WITNESS. I have never met the man in my life. I know what he does here, and what he does everywhere else. His policy has always been to make the music operators work for the manufacturer, and that has always been his policy, and there never was a dime made into this business till the war come along, and that is his policy, always been his policy. He has always used a mob wherever he goes.

By Mr. MOLL:

Q. Now, your union philosophy is if a suitable person makes application for union membership, he shall be taken in?—A. Yes.

Q. Is that a universally accepted proposition?—A. Sir?

Q. Is that a pretty much accepted proposition that a proper person should be able to join the union?—A. I want them all in.

Q. Take a look at that letter. Did you write that?—A. Yes.

Q. What was the reason?—A. The reason I wrote the letter, this fellow come down here from New York—he started a union up there, and the mob was breaking in on the business, and he wanted to know how I got along and to the best of my knowledge I gave him that.

Q. Would this particular strategy be applied if the Wurlitzer outfit asked for membership?—A. It never has been.

(Thereupon, a document was marked Grand Jury Exhibit 107 by the Reporter.)

The WITNESS. Is my name signed on that letter?

By Mr. MOLL:

Q. No, that's just a copy. You wrote it though, didn't you, and signed the original?—A. Let me read it. I didn't read it all. Yes, that's the advice I gave him.

Q. And the letter I refer to is a copy of a letter to which I refer and which you agree was written and signed by you, and it has been marked Grand Jury Exhibit 107, is that right?—A. Did I sign it?

Q. Well, you signed the original.—A. I think I wrote the letter, but I don't think I signed it.

Q. You authorized it?—A. Probably did.

The COURT. Who dictated it? What are the initials on it?

Mr. MOLL. Mr. James'.

The COURT. Did you dictate that letter, Mr. James?

The WITNESS. I probably did, Judge, yes, because I recall the man made a trip down here to see me, and he has the same trouble I have got.

The COURT. Your idea of that letter was to give him advice?

The WITNESS. I was trying to tell him how he could get along dealing with those guys.

Mr. TRAVIS. Wear them out, then, until they did something wrong, and then use that as an excuse.

The WITNESS. The letter didn't say that.

The COURT. In substance. You understand, as I get you, that a certain number of Italians have moved into this Wurlitzer field?

The WITNESS. Yes.

The COURT. Angelo Meli.

The WITNESS. Yes.

The COURT. Is Tocco in there too?

The WITNESS. Well, I have heard he was.

The COURT. Ditta in it?

The WITNESS. Sir?

The COURT. Is Nick Ditta in it?

The WITNESS. No, I have never found Nick connected with it. I have found him policing locations, I have never heard he was connected with this.

The COURT. Did that same outfit try to run the Wurlitzer Distributing Company—what is it, Bilvin?

Mr. WATSON. The Bilvin Company.

The COURT. Is that same outfit, from what you hear, running the Wedgewood Room?

The WITNESS. I don't think there is any connection. That is my honest belief.

The COURT. Do they have any interest in Graham's Bar?

The WITNESS. I couldn't answer that, Judge. I don't know. I think that is another set-up system. That is the best of my knowledge. I have no way to prove it, only my belief.

The COURT. How about this \$2,000 check between you and your friend Brilliant?

The WITNESS. Who is that?

The COURT. Brilliant.

The WITNESS. Well, I have got that for you. I told you I would get it. I had my wife hunt it up. I gave Joe Brilliant a check for \$3,000. I gave Joe Brilliant a check for \$2,000, and I gave him a note for two thousand.

The COURT. Three thousand, two thousand and two thousand?

The WITNESS. \$7,000.

The COURT. For what?

The WITNESS. For the stock that he owned in Marquette Distributing that I went down and bought for him, for Vic DeSchryver.

The COURT. I am talking about a check that Brilliant obtained from the association.

The WITNESS. I don't know nothing about that.

The COURT. The 26th of last August, and he got the check on the understanding, or on his argument that he wanted to reimburse himself for \$2,000 that he advanced to you, that you had requested the money because of the CIO or some other activity, and you thought you were entitled to \$2,000 from the association, and he, Brilliant, paid it to you and reimbursed himself from the association with a \$2,000 check dated August 26, 1946, and the other night when you were here, you two gentlemen met face to face, and he told you right there he gave you the money and you denied it.

The WITNESS. No; he didn't. Here is the way I got that, and he is lying about it to start with. I don't know what his object is. I said he didn't give me any money, and he said, "You asked me for it," and I said, "Joe Brilliant, you are a goddam liar," and he said, "Well, maybe I didn't ask him for it. I wouldn't take the time of day off any of those goddam guys, because they are all alike. I don't have to.

The COURT. You thought enough of Joe to loan him money?

The WITNESS. Yes; and he never loaned me a dollar in his life, and he is lying in that thing, trying to keep this stock covered up. He never loaned no money to me. I loaned him this check you had here that night made out on another bank, and I made that out to him as a personal loan. He has the note, because he asked me for it.

The COURT. Did he pay it back?

The WITNESS. Yes; and I never got a dollar off Joe Brilliant in my life.

The COURT. How is a poor fellow like you trying to get by, loaning a businessman like Joe Brilliant three or four thousand dollars at a time?

The WITNESS. At the time I loaned him that money, I had already borrowed some money to buy my home. I bought that home on a land contract, and they couldn't get me a clear title for it, and in the meantime I had accumulated this money up there, and in order to close that deal I had the money in the bank, and I didn't need the money, and I said, "Joe, if you can get it back right away, I will let you have it," and when I went to close the deal I would have to have it back when I closed the deal on my house.

The COURT. If he got \$2,000 from the association on the statement that he was reimbursing himself for money he paid you, then he is not telling the truth?

The WITNESS. He is just a liar.

The COURT. Therefore he has obtained \$2,000 from the association under false and fraudulent representation.

The WITNESS. You're damned right he has.

The COURT. Is that right?

The WITNESS. You're damned right it is.

By Mr. MOLL:

Q. Where is your wife's bank account?—A. That is on the book there.

Q. E. C. James—A. No; Eleanor.

Q. That signature to those checks?—A. Yes; the reason I asked you fellows if you got some of my checks—

Q. No; we haven't got any of your checks. We have a lot of your cancelled vouchers, and we have none of the union's cancelled vouchers.—A. If you haven't got them—

Q. We haven't got them.—A. Well, they are not in my office; then somebody has them somewhere.

Q. We haven't got your checks.—A. I want to know if you got all of these registered letters I wrote these mobs about throwing them out of the union. Have you got those?

Q. No.—A. Did you take my file cabinet and application cards? They are gone. Here is a check I can't find in my personal account, \$3,100. My wife wrote it. There is the date of the check, and there is who it was made out to. I went to the bank and asked them to give me a photostatic copy of it, so I could bring it over here, and there is no such thing in the bank, and it is right there.

Q. Does she sign "E. C. James"?—A. I wasn't there when you took the stuff, and I was hoping you did have it.

Q. We sent one man up there, and Rose has a receipt to your office for everything he took. It was prepared in your office, and we sent another man up there and there wasn't anything brought back, and everything we took out of there we gave a receipt for it.—A. Somebody got a pack of registered letters then.

Mr. TRAVIS. Everything we got out of there the young lady in the office received a receipt for it and made a list of it on her own typewriter. We still want those cancelled checks.

The WITNESS. I want them, too.

The COURT. Where would they be?

The WITNESS. I don't know. Did you talk to the auditor?

Mr. TRAVIS. You were at the office the other night.

The WITNESS. Yes.

Mr. TRAVIS. You then suggested we try the auditor.

The WITNESS. Yes; the girl that worked for me for a long time got sick, and her mother called me up and told me she had to take the doctor's advice for she was in bad condition. She run a temperature of 102, 103, and she had to have a leave of absence, and I said, "How long will she have to be off," and she said "three months," so I didn't have anybody to put in the office, so I had to get my sister-in-law, and she don't know anything more about the books than I do, and we just skimmed through and we never got our per capita tax in on time.

Mr. TRAVIS. The auditor says he doesn't have them. You see, the folder or the book of cancelled vouchers isn't there.

The WITNESS. Well, I can't argue that point.

The COURT. It must be obvious if we had them we would use them.

The WITNESS. Yes.

Mr. MOLL. Where does your wife keep her account?

The WITNESS. In the same bank.

Mr. SCHEMANSKE. When did you last see them?

The WITNESS. When did you come in the office the first time? On Monday or Tuesday? I was out of town Monday.

Mr. GARBEE. Mr. Rose came there.

Mr. MOLL. I think it was Tuesday.

The WITNESS. The last time I saw the check book was when I wrote the payroll.

Mr. SCHEMANSKE. When was that?

The WITNESS. A week ago tomorrow. Tomorrow is payday. Did they take all of those bank checks out of there?

Mr. TRAVIS. Sir?

The WITNESS. Have you got the blank checks?

Mr. TRAVIS. The only check book we have of yours is one starting with check 808.

The WITNESS. Did you get a pad like these?

Mr. TRAVIS. No; we haven't got that.

The WITNESS. We haven't got a check to make the payroll.

Mr. TRAVIS. Here is your check book?

The WITNESS. No; but I have some of these checks.

Mr. TRAVIS. Did you start your check book with 808?

The WITNESS. No; that's the way she does it, like this.

Mr. MOLL. We haven't got the cancelled vouchers before number 808.

The WITNESS. That was the last payroll.

Mr. MOLL. I have nothing further, Judge.

The COURT. Did you ever hear that money was offered to Hoffa and Brennan on this deal?

The WITNESS. No; I don't think so.

The COURT. How do you know them so well?

The WITNESS. Well, I have been in this thing for a long time.

The COURT. Is your union affiliated with 337?

The WITNESS. No.

The COURT. What is your union number?

The WITNESS. 12384, I think.

The COURT. What is it affiliated with?

The WITNESS. American Federation of Labor.

The COURT. You are associated with Martel?

The WITNESS. No; no more than—

The COURT. That union is affiliated with Martel's group?

The WITNESS. No.

The COURT. If you are not associated with Jimmy Hoffa and Brennan, and you are not associated with Martel, who are you affiliated with?

The WITNESS. I am affiliated with the American Federation of Labor. I got the charter out of Bill Green's office.

The COURT. How did you work that one?

The WITNESS. I have a direct charter.

Mr. WATSON. Any other union like that, that has a direct Federal charter?

The WITNESS. Yes.

Mr. WATSON. Name some of them.

The WITNESS. Well, there are several of them that have Federal charters here that I could sit down and pick out for you.

Mr. WATSON. Mr. James, you stated the auditor, the man that audits the books for you, worked out of the labor temple on Montcalm?

The WITNESS. Yes.

Mr. WATSON. With headquarters in the laundry workers' union?

The WITNESS. Yes; he was my auditor over there.

Mr. WATSON. As a union employee, does he audit for the union, or is he an independent auditor?

The WITNESS. No; he works in the office of the laundry workers' union, and I knew Art well, I knew him for years, so when I started this, I said, "Art, set up a bunch of books," and he set them up.

Mr. WATSON. I was wondering if the fact he was an auditor who audits the books of a lot of other A. F. of L. unions, if he might take back this information to Martel.

The WITNESS. No; no.

Mr. GARBER. How much money have you in the bank right now, as far as the union is concerned?

The WITNESS. I think about \$5,000.

Mr. GARBER. Who does that belong to?

The WITNESS. To the members.

Mr. MOLL. You are the trustee?

The WITNESS. I am secretary and treasurer.

Mr. MOLL. You are a trustee of the union funds?

The WITNESS. Yes.

Mr. MOLL. You acted in a fiduciary capacity?

The WITNESS. What kind of a capacity?

Mr. MOLL. Fiduciary, trust capacity?

The WITNESS. Yes.

The COURT. You can stand those funds practically any way you want to?

The WITNESS. No; they have to approve the bills.

The COURT. You can give it away to Hoffa's wife and Brennan's?

The WITNESS. They have to approve the bills.

Mr. GARBER. Who?

The WITNESS. The board.

Mr. GARBER. Who is the board?

The WITNESS. I named them.

Mr. MOLL. You mean to say that the board has to pay that?

The WITNESS. No; I can put them on the payroll as a salaried employee.

Mr. GARBER. How much per capita tax do you pay?

The WITNESS. I must have paid on three or four hundred people, and I paid to the Detroit Wayne County Federation of Labor five cents, and I am not sure, but I think it is 31 or 32 per capita, and I don't know whether I paid the state or not. I don't think I am affiliated with the state.

Mr. MOLL. Well, that's all I have.

(Witness excused.)

HAROLD G. GRAHAM, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

Q. Will you state your full name, please?—A. Harold G. Graham.

Q. Where do you live?—A. 1404 East Jefferson Avenue.

The COURT. Has that always been your name?

The WITNESS. Yes, sir.

The COURT. Where were you born?

The WITNESS. Columbus, Ohio.

The COURT. When?

The WITNESS. 59 years ago.

The COURT. What year? What date?

The WITNESS. That's a matter of deduction.

The COURT. What is your birthday?

The WITNESS. July 23.

The COURT. 59 years ago?

The WITNESS. Yes.

The COURT. When was that?

Mr. TRAVIS. 1883, I guess.

The COURT. Oh, no.

Mr. MOLL. How would 1887 be, is that it?

The WITNESS. Yes.

By Mr. MOLL:

Q. What is your business, Mr. Graham?—A. I have been in the tavern business about five years at 501 East Jefferson. I just sold out two weeks ago.

Q. Did you operate that business independently?—A. Yes.

Q. Was the license issued in your name?—A. Yes.

Q. Did you have any partner in that business?—A. No.

Q. From whom did you buy the business?—A. The business, I didn't buy it as a going business. I leased a vacant store, and then I went out, and the broker who had the fixtures, who owned the thing, the things it would take to run a tavern I bought those. It was a Greek restaurant when I bought the lease.

Q. Did you lease the place in your name?—A. Yes.

Q. From whom?—A. A fellow named Rocco.

Q. The owner of the building?—A. No; he held the lease and I in turn went to Mr. Turnbull, the owner of the building.

Q. What Turnbull?—A. Leonard Turnbull, who owns the Specialist Distributing Company.

Q. What is his address?—A. 509, two doors east of me on Jefferson.

Q. Did your own money go into the lease and the purchase of this bar?—A. Yes; and what I borrowed from different individuals.

Q. From whom?—A. I wound up owing Mr. Lobsinger, the fixture man, about \$1,500, and I have paid him.

Q. Who else did you borrow money from?—A. I have borrowed from different individuals. I have a list of them, 500 here, and 200 there.

Q. Many of them?—A. I borrowed \$1,000 from Mrs. Wolfe, a waitress in the place, at the time, and I borrowed \$500 from William Pauley, in Saginaw, Michigan, and I borrowed \$500 from Bud Schafer in Algonac, St. Clair Shores, Michigan, here and there, to get the thing rolling. I started from scratch. I didn't even have the license.

Q. Did you borrow that money in your own name?—A. Yes.

Q. What is Mrs. Fox's first name?—A. Mrs. Who?

Q. Was it Mrs. Fox, the first name?—A. No; Mrs. Wolfe.

Q. I got my animals mixed up. What is her first name?—A. Susan.

Q. Where does she live?—A. 3357 Boston Boulevard.

Q. Is that money paid back?—A. Yes.

Q. That was \$1,000?—A. Yes.

Q. Bud Schafer was what?—A. Bud Schafer?

Q. What's his first name?—A. I don't know other than Bud. He is in the boat business at St. Clair, Michigan.

Q. Did you give him a note?—A. No; it wasn't necessary; we are old friends and my face was good for it.

Q. You borrowed \$500 from him?—A. Yes.

Q. From who else?—A. I was just trying to think. I borrowed \$500 from Max Marston.

Q. A lawyer?—A. Yes.

Q. Is that paid off?—A. Yes; when I sold out I went and paid my bills. I didn't have a helluva lot left, but I did do that.

Q. Anybody else you can think of you borrowed money from?—A. Not at the moment, your Honor. The biggest part of the deal was eaten up by the store fixtures. They took a lot of money, the refrigeration bar, plumbing, and motors.

Q. Did you give notes to any of these people?—A. I gave notes to Lobsinger, the principal creditor.

Q. I mean, outside of Lobsinger?—A. No.

Q. Did anybody endorse your note to Lobsinger?—A. No.

Q. Was that a chattel mortgage?—A. Yes.

Q. When did you sell out?—A. About two weeks ago the deal was consummated.

Q. To whom?—A. I sold to a man named Howsey, Marshall R. Howsey, some young fellow just got out of service.

Q. For what price?—A. It all boiled down to about \$33,000.

Q. Was it cash?—A. Part notes and part cash, about half and half.

Q. Part of the deal was assuming your obligations?—A. Some of it; yes.

Q. To Lobsinger and the rest of it in cash?—A. Yes.

Q. And notes?—A. That's right.

Q. When did you first start to negotiate with Howsey?—A. It has been about three or four months ago. It took a long time to get the darned thing through the Liquor Control Commission.

Q. Howsey was around the bar a great deal before he bought it?—A. Yes; he was just out of service and he wanted to learn how it worked.

Q. He made a pretty complete study of it?—A. He did. It's the first time he has been in the saloon business, and he figured as long as he was going to spend a lot of money, he wanted to make sure he was capable of running the saloon and handling the business.

Q. Do you know Morris Nort?—A. Yes.

Q. How long have you known him?—A. Well, when I first opened that place he used to come in there to eat. I have known him less than a year.

Q. A pretty frequent customer?—A. Once or twice a week he would come in.

Q. Do you know Nick Ditta?—A. Yes.

Q. How long have you known him?—A. Nick Ditta used to be—I used to sell him music boxes when I was in the music business. I have only been out of the music business since the war come on, and they quit manufacturing.

Q. What music company were you connected with?—A. I was State distributor for the Wurlitzer Company.

Q. You had a contract here?—A. Yes.

Q. For the state of Michigan?—A. Yes, about ten years.

Q. And Ditta used to buy boxes from you?—A. Yes. He had a man by the name of—this is four or five years ago now—Sam Levine. They were partners and they would buy boxes and built up a route, you know.

Q. That is the same Sam Levine that's a union organizer now.—A. Yes.

Q. He is out of business now?—A. He is out of business now?

Q. Is he?—A. I don't know. I haven't seen him in a couple of years.

Q. Is he still operating machines?—A. Really, I don't know, your Honor. I haven't seen him.

Q. He used to buy from you?—A. Yes.

Q. He is now a business agent and organizer?—A. That I couldn't swear to. I haven't seen him or talked to the man.

Q. Well, it is the same Levine in any event?—A. Yes.

Mr. WATSON. He and Nort were partners?

The WITNESS. No, no; Nort was never, to my knowledge, in the music business. When I first met Nort he was opening that Wedgewood Room on Jefferson.

By Mr. MOLL:

Q. When you first met him?—A. Yes; he used to come in there to eat.

Mr. WATSON. Didn't you say Nort used to buy music boxes?

The WITNESS. No, Ditta.

Mr. WATSON. Ditta and Levine were partners?

The WITNESS. Yes.

By Mr. MOLL:

Q. Did they operate as a partnership?—A. Yes.

Q. What was the name of it?—A. They didn't use any name. They were on there—Sam Levine signed the contract for most of the merchandise, he bought on land contract.

Q. In Levine's name?—A. Yes.

Q. How did you know they were partners?—A. They would come together to buy machines, and said they were partners.

Q. How many machines did you sell them?—A. Oh, probably 50.

Q. Over what period of time?—A. A year and a half probably.

Q. From when to when?—A. They stopped buying machines at the start of the war, you couldn't get any more. That's the last I heard of them. The Government just took the factory over.

Q. So you sold them through '40 and '41.—A. Yes; around in there.

Q. Ditta was a frequent visitor in your bar, wasn't he?—A. Yes.

Q. There nearly every day.—A. I wouldn't say every day. Probably two or three times a week.

Q. What was the purpose of these visits?—A. To eat and drink.

Q. He came there frequently with Nort?—A. No, no; he would come in of his own accord or somebody he was associated with. I know he knows Nort, but I don't think they had much to do with each other in a business way.

Q. We know differently.—A. Well, what I am trying to convey is—

Q. Just answer the questions.—A. Certainly.

Q. We will draw our own conclusions. Nort and Ditta frequently came into the bar together, didn't they?—A. You may use that word if you care to.

Q. You name it. How often would they come in?—A. I would say once or twice a week. So far as Ditta is concerned, two or three times, but Nort I wouldn't see him more than once a week.

Q. But most of these occasions he was with Ditta?—A. Not necessarily.

Q. Was he or wasn't he?—A. No.

Q. You know they knew each other?—A. Yes.

Q. They were at least occasionally in your bar?—A. Yes.

Q. Did you know Ditta claimed ownership to Graham's Bar?—A. No.

Q. Do you know he was behind the bar frequently?—A. No, sir; he was never behind my bar to my knowledge.

Q. Did you ever see him go in your cash register?—A. No.

Q. Is there an office there?—A. No.

Q. Isn't there an office in the back?—A. No.

Q. No office?—A. Just a garage to store beer cases, empty cases.

Q. You never heard he had claimed ownership to Graham's Bar?—A. He couldn't do that.

Q. You say he couldn't?—A. If he did, it was a lie, because there was no foundation to it.

Q. Well, all right, your sworn testimony is that Ditta never, at any time, had any interest in Graham's Bar?—A. That's right.

Q. From the time you took over until the day you sold?—A. That's right.

Q. So far as you know, he has none today?—A. That's right.

Q. That's your testimony?—A. That's right.

Q. And I assume nobody else had any interest from the time you took over until the day you sold?—A. I run it myself.

Q. I am talking about a financial interest in the bar.—A. No, sir.

Q. None whatever.—A. No, sir.

Q. You were the sole and absolute owner?—A. Yes; and I have papers to prove it to you.

Q. No partner?—A. No partner.

Q. And no one else has any financial interest except Lobsinger on the chattel mortgage?—A. That's the only secured loan I had.

Q. What is your business now?—A. I have been taking it easy for a couple of weeks. I put a year and a half in there night and day, seven days a week. I have been down at the lake over week ends.

Q. You have no business then?—A. No; not right now.

Q. May I ask where you keep your bank account?—A. I haven't any bank account.

Q. Have you a safety deposit box?—A. No, sir. In fact, I haven't any money, after I paid my bills.

Q. You have no cash then on deposit?—A. No; just some papers and notes.

Q. No safety deposit box any place?—A. No.

Q. Under any name?—A. No.

Q. No bank account?—A. No.

Q. Any place under any name?—A. No, sir.

Q. Are you married?—A. No, sir; I have been single about two years—divorced.

Q. Who represented you in the sale of Graham's Bar?—A. Harvey Gormley.

Q. He is a broker?—A. Insurance man.

Q. Did you have a lawyer?—A. Yes.

Q. Who was the lawyer?—A. Joe Monaghan.

Q. Who are his partners?—A. Monaghan's partners? Really, I don't know if the man has a partner. I never done any business except with him.

Mr. WATSON. Is that John R. Monaghan?

The WITNESS. Yes; Joe or John—John Monaghan I guess would be correct.

Mr. WATSON. In the David Stott Building?

The WITNESS. Yes; in fact, he handled the sale of this business to Howsey.

By Mr. MOLL:

Q. Were you ever in his office?—A. Yes; I was there two weeks ago to get my money and the papers and notes signed up.

Q. You don't know whether he has any partner?—A. No; I really don't.

Q. What names were on the door?—A. I didn't notice. I had to take Howsey and Lobsinger up there to close the deal.

Q. Do you know any of his partners?—A. No; I don't. In fact, I am not well acquainted with the man. This is the only deal he ever handled for me.

Q. Do you know Bellanca?—A. No.

Q. Do you know whether he is a partner of Monaghan?—A. No; I don't.

Q. Do you know whether Bellanca set Nort up in the Wedgewood Room?—A. I never heard of Bellanca.

Q. Do you know whether Bellanca has represented Ditta?—A. I don't know the man. I never heard of Bellanca.

Q. Never heard of him in your life?—A. No.

Q. Never met him?—A. No.

Q. Who recommended you to Monaghan?—A. Harvey Gormley.

Q. How long have you had Monaghan as an attorney?—A. Just when he drew the papers up on the saloon deal. That's the first time I met him. I met him and he drew up the mortgage and stuff for Joe Lobsinger, when I put the fixtures in the place.

Q. When did you cease to be a Wurlitzer distributor?—A. At the inception of the war, when they quit delivering merchandise.

Q. Around the latter part of 1941?—A. About that time.

Q. When did you go into Graham's Bar?—A. Two years ago.

Q. 1944?—A. Yes.

Q. And operated for a year and a half.—A. Nearly two years now.

Q. Ever cashed any checks for Nort?—A. No.

Q. Cash any checks for Ditta?—A. No.

Q. Ever advanced either one of them money?—A. Never asked me for money.

Q. Did you ever advance them any money?—A. No.

Q. Or have any financial transactions at all with either one of them?—A. No.

Q. Neither borrowed nor loaned money to either Nort or Ditta?—A. Very little conversation with them—just customers.

Q. Do you know Angelo Meli?—A. Yes; I sold him a phonograph.

Q. When?—A. When he was in the J. and J., I believe it was, Music Company.

Q. Do you know Tocco?—A. No.

Q. Bommarito?—A. Joe Bommarito used to buy phonographs from me when he was Pete Licavoli's partner. They bought phonographs from me.

Q. Did you ever have any other dealings with them?—A. No.

Q. With any of those I have named except the purchase of phonographs?—A. No.

Q. Do you know Bufalino?—A. Yes.

Q. In what way?—A. I met him about the first of January when he went to New York and took over distribution of the Wurlitzer phonograph.

Q. Here?—A. Yes.

Q. Did you have any business dealings with him?—A. No. I wanted to go to work for them and they couldn't see fit to use me, so I just gave up the idea. They're all different kind of people than I am, and their ideas are different than mine, so I gave up the idea of going into the Wurlitzer business any more.

Q. How long did you represent Wurlitzer here?—A. About ten years.

Q. From about '31 to '41.—A. At the time Wurlitzer built that phonograph I worked for the Marquette Music Company, Johnny Marquette, and I managed his business for him up until about ten years ago.

Q. Do you know DeSchryver?—A. Harry DeSchryver; yes.

Q. Vic?—A. Harry is his uncle. Vic worked for me after school. I was with Marquette 15 years.

Q. In what capacity?—A. Sales manager and general manager and the business expanded and I took over the wholesale end, and called it the Wolverine



Music and moved up to Lafayette and Beaubien, and Harry DeSchryver took over the Marquette Music business.

Mr. MOLL. Anything further, gentlemen?

Mr. WATSON. You still have the notes you got in part payment of the sale?

The WITNESS. Yes; and contracts.

Mr. WATSON. You haven't negotiated that paper at all, the notes you still own them?

The WITNESS. I have about \$13,000 worth of them due month to month.

Mr. WATSON. And they're due to you, and you own them?

The WITNESS. Yes.

Mr. WATSON. They haven't been assigned or hypothecated or turned over to a soul?

The WITNESS. No.

The COURT. How much is due a month?

The WITNESS. \$1,000.

Mr. MOLL. Where do you keep the notes?

The WITNESS. I have them at my hotel in the room.

The COURT. All made out by Howsey?

The WITNESS. Yes.

Mr. WATSON. To what would you attribute Mr. Ditta's remarks made on repeated occasions, this bar down there known as Harry Graham's Bar, was his place of business?

The WITNESS. I don't know what would be the object of him making that statement. In fact, he had nothing to win. In fact, the man was working for the Ford Motor Company.

Mr. WATSON. He was interested in a lot of things.

The WITNESS. That's something I can't swear to. He told me he was working in the personnel department of the Ford Motor Company.

The COURT. Do you know whether Ditta has an interest in the Wedgewood Room.

The WITNESS. Really I couldn't say. I couldn't answer that. I don't think so, because the man never showed any money.

The COURT. Where is Ditta now, do you know?

The WITNESS. He has been missing about three months, to my knowledge, I haven't seen him. He hasn't been around in there, and there have been a lot of people looking for him. In fact, Mr. Rose, one of your investigators, was over to see me, looking for him.

The COURT. You testified here previously or gave a statement to Mr. Garber and Mr. Schemanske about ten days or two weeks ago?

The WITNESS. That's right.

The COURT. I think that statement was with the understanding you were still under subpoena and would come back when requested?

The WITNESS. Yes; I told one of the gentlemen—he made the remark at the time, said, "if you haven't been in the music-box business for two years, I don't have any more use for you," so I told the man my phone number and address, and I said, "if you will call me, I will be glad to come up here any time." I lived there over two years and I lived at the Keane Apartments twelve years previous to that, and I am not silly enough to run away from something, when I have been living here and intend to continue to live here.

The COURT. Have you been there the last couple of weeks?

The WITNESS. No; I have been up to the St. Clair Flats. I thought I would take a couple of weeks breather.

Mr. WATSON. You're sure this is the right date on this receipt?

The WITNESS. Yes; they just gave it to me. I just paid my rent.

Mr. WATSON. It was issued to Mr. and Mrs. Graham. I thought you said you were divorced a couple of years ago.

The WITNESS. They put that down there, but there is no Mr. and Mrs. Graham.

Mr. WATSON. We are not interested in that.

The WITNESS. No; of course not.

Mr. WATSON. But actually what I had in mind was if you were here and they did try and contact you, as a matter of fact they have made several attempts, as I understand it.

The WITNESS. But Schafer is an old friend of mine I put in the music business about ten years ago, and he has sold out, sold his tavern at Woodward and the Boulevard, and for the last year or so he is in the boat, the steel boat construction business, at St. Clair, and I have been spending some time with the man, with

the idea of selling some boats, and he has a spot he maintains up at the Flats, and the only thing is if you had just left a message with the clerk, I would have got it. I have lived in this town 30 years and I have to live here.

MR. WATSON. Well, will you do this: If you do have occasion to leave on a trip that will take you out of the city for any extended period, for a week or so, let us know.

THE WITNESS. Sure, I will do that. I felt I wasn't wanted, because I had been out of the music business for two years.

THE COURT. The next time leave a forwarding address.

THE WITNESS. Most people that do business with me, want to see me, they call and leave a message, and I have a habit of calling two or three times, and saying, "Will you give me any messages in my box," you know, a man don't get any kick out of sitting up in that hotel waiting for the telephone to ring.

THE COURT. Any message left at the hotel would be picked up by you within a day?

THE WITNESS. That's positive.

THE COURT. Well, we may call you back again.

THE WITNESS. All right, gentlemen.

THE COURT. And we are to understand now, the clerk at the desk will have your address.

THE WITNESS. Yes, I get my messages there.

THE COURT. All right, you may go now.

(Witness excused.)

#### STATE OF MICHIGAN

#### IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Thursday, October 3, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Mr. Samuel L. Travis, Special Assistants Attorney General; Mr. Frank G. Schemanske, Chief Assistant Prosecuting Attorney; Mr. Ralph Garber, Assistant Prosecuting Attorney.

Reported by: G. L. McGuire, Reporter.

2:45 p. m.

EUGENE C. JAMES, having been previously duly sworn, was recalled, examined, and testified as follows:

Examination by Mr. WATSON:

Q. Mr. James, you have previously been sworn as a witness in this Grand Jury proceeding and have testified under oath?—A. Yes, sir.

Q. And as a result of, or arising out of your previous testimony before this Grand Jury, you were sentenced—you were found guilty of contempt of court and sentenced to sixty days in the Wayne County Jail by the Grand Juror, Judge Murphy, is that right?—A. That's correct.

Q. Now you have since been confined to the Wayne County Jail?—A. Correct.

Q. And you have sent word to this Grand Jury you desire to purge yourself of contempt of court?—A. Let me ask you a question. I purge myself—I came over here to purge myself once already, correct.

THE COURT. I believe——

THE WITNESS. Sir?

THE COURT. You have been here, yes.

THE WITNESS. Now are you going to turn around and get me for perjury for purging myself again? All right, I will purge myself again.

By Mr. WATSON:

Q. You understand the purpose of your being here is at your own request?—

A. Yes.

Q. Now since being sentenced for contempt on Friday, the 13th of September, you have not reappeared before this Grand Jury to give sworn testimony, have you?—A. Yes, sir.

The COURT. He has been back.

The WITNESS. Yes.

Mr. WATSON. He has testified under oath previously.

The COURT. He came back here a couple of weeks ago at his own request to purge himself of some things he had said in his first appearance but the Court did not believe that he did so and he was returned. Now he has requested to come back voluntarily and tell the complete truth.

Mr. SCHEMANSKE. If the Court please, may I give my memory of this thing?

The COURT. Yes.

Mr. SCHEMANSKE. As I understand he has been here more than once but he was only here on one occasion where other sworn testimony was taken.

The COURT. Since his commitment?

Mr. SCHEMANSKE. Yes. The other occasions were to secure certain checks and certain things we were interested in but no testimony was taken with the exception of one time. I think that's what happened.

The COURT. You came back here at your own request and further testimony was taken, then you went out with an officer on one or more occasions to bring in some of your records, and on one or more of those occasions you were right in Grand Jury headquarters but didn't testify under oath.

The WITNESS. Well, I don't remember, whatever you fellows say, I will take your word for it.

Mr. SCHEMANSKE. That is the way my memory serves me.

The COURT. Yes; he was here at least once since the commitment, he was here and testified and on one or more occasions he was here but did not testify but talked to some members of the staff including myself.

Mr. SCHEMANSKE. You are testifying at the present time.

The COURT. Now you are under oath and testifying again, you understand?

The WITNESS. Yes.

By Mr. WATSON:

Q. Want to go back over these matters specifically today, Mr. James. We want your full and complete testimony and a truthful statement. When the Michigan Automatic Phonograph Owners Association was first organized around the first of the year of 1945, and about the time that your Local Union was first started, there were a series of conferences and discussions with some gentlemen from Cleveland, is that right?—A. Well, at that time the Association—all of the happenings that happened in Cleveland, happened before I got into the picture but after I came into the picture I did meet with some fellows from Cleveland.

Q. Who were those gentleman?—A. A fellow by the name of Presser.

Q. Mr. Presser was acting in what capacity in Cleveland?—A. He is the head of the Union there.

Q. Is that a union, a similar operation to the operation conducted by your Local in Detroit?—A. Yes, sir.

The COURT. What Union experience did you have before you met Presser?

The WITNESS. I had more than he had. I have been in the business the last seven and a half years.

The COURT. Were you the president or an officer of some Local?

The WITNESS. Yes.

The COURT. What?

The WITNESS. Laundry Workers Union, President of the Laundry Workers Union in Detroit at that time.

The COURT. You knew nothing about the juke-box business?

The WITNESS. No.

By Mr. WATSON:

Q. Did you form or get a charter for your Local Union previous to the time that the operators association was set up?—A. I made application for my charter when I was out trying to organize the people.

Q. Can you tell us about when that was?—A. In 1944, some time in 1944. I started I think in the early fall of '44 to get members, and I had, to the best of my knowledge, I had around 20 or 25 applications at that time. I had been negotiating with the old association they had long before this was set up. I was negotiating with that one for several months, but I was never able to get anywhere, because they didn't know where they were going.

Q. That was the old Owners or Operators Association?—A. Yes; but this one was brought into existence afterwards.

Q. Now did you know or have you learned that both Mr. Presser and Mr. Dixon came up here and helped the Owners Association set up their organization?—A. Well, now, all I can tell you, I saw them in town and I don't know how they worked or anything about it because I never attended a meeting with Mr. Dixon, but I have attended a meeting with Mr. Presser and, to the best of my knowledge, I don't ever remember discussing anything with Dixon because Dixon is the type of man, he sticks with the operators. He is exactly that kind of a man, as far as I know. I have had a lot of dealings with Dixon since it was formed.

Q. Do you know of the payment of \$5,000.00 that was paid to either Mr. Presser or Mr. Dixon or both of them?—A. I have heard rumors to that effect but I don't know it to be a fact. I had nothing to do with it. If they got paid, I didn't know it.

Q. And if they got paid, did you get any part of the money?—A. I never got one red penny of it.

Q. Do you know whether anyone in Detroit participated in the distribution, or is alleged to have participated in the distribution or sharing of that \$5,000.00 that was paid?—A. I never heard just how but I have heard a certain fellow say they took up a donation. I don't know who they were.

The COURT. You mean certain operators?

The WITNESS. Yes; I have heard that remark made.

The COURT. Well, it is admitted they did take up \$5,000.00.

The WITNESS. I have heard that rumored through the operators.

The COURT. And it is claimed it was paid over to Presser?

The WITNESS. Well, if it was, Judge, I don't know. I had no part in it.

The COURT. Do you know of any labor man in Detroit that got any part of it?

The WITNESS. No, sir. Whatever they done, they done that before I ever got into the picture.

By Mr. WATSON:

Q. Now did they have a similar situation, as far as you know, in Cleveland, one that was comparable to the situation in Detroit where there were rival factions among the operators and distributors?—A. No, sir; not to my knowledge.

Q. Do you know whether Mr. Presser and Mr. Dixon, in advising the Michigan Automatic Phonograph Owners Association, in their original set-up, recommended the integration, if you follow what I mean, of their association with a god strong union?—A. Well, I can't honestly answer that.

Q. Were you ever told they recommended that the owners—A. No; I do admit this; I worked with the Association and I tried to cooperate with them. I did that myself. Nobody told me to do that because I felt that was the way to do it.

The COURT. In other words, put it this way: Mr. Watson draws up a fine contract with the union, he represents the company. There is no disgrace on my part, as another lawyer, to look over his contract.

The WITNESS. Yes.

The COURT. And, I find it is a humdinger and I take a copy and work it out to my own client's needs.

The WITNESS. Yes.

The COURT. All we want is the truth.

The WITNESS. Yes.

The COURT. Now you went down to Cleveland and saw Presser in Cleveland and saw Dixon in Cleveland and saw either one of them here. Now, as I understand it, the Association officers in Detroit thought the Cleveland set-up was good, the finest they had seen, and I take it you thought the same thing after you examined it.

The WITNESS. No; you are wrong, Judge, I didn't. My contract is nothing to compare with the Cleveland contract.

The COURT. What do you mean, it is better for the Operators or better for the Union?

The WITNESS. It is a Union contract. My contract has clauses in it from about fifteen different unions.

The COURT. Being the head of the Laundry Workers Association, how did you get interested in the Juke Box Association?

The WITNESS. Well, I started back to work for the Laundry Workers.

The COURT. What is the story?

The WITNESS. You want me to give you the entire story, Judge?

The COURT. Don't make it too long a story, just tell us briefly.

The WITNESS. I started working for them when they didn't have any members here. At the time I started working for them there was a fellow named Shelchek. I could never get anywhere with them.

The COURT. You mean with the Laundry Workers?

The WITNESS. Yes; there were a lot of laundries all over town and none of them was organized.

The COURT. And the net result, you organized the Laundry Workers?

The WITNESS. Yes.

The COURT. What has that got to do with the jukeboxes?

The WITNESS. Now, they had several different set-ups here in the juke boxes and always had somebody in there connected with the underworld and they were always having trouble of all kinds, and one day I was talking to Frank Martel and he wanted me to take the jukeboxes over, and I said I was with the Laundry Workers and I was going to stay with them, and so the matter went on for a while and one day he said to me, "Jimmy, how about spending part time on that juke-box business," and I said I would do that and he said he would see Bill Green and get a charter and he said if I would go into it and run it, and keep the God damned thing clean, that's all they wanted, and he would promise me a charter. There were a lot of sons-of-bitches—excuse my language.

Mr. SCHEMANSKE. I don't think I would use that for the record.

The WITNESS. All right, pardon me. They had always had trouble in that thing. The workers had consistently come in and asked for an organization, but they had never had an organization here where they would gain anything by belonging to it, and he asked me if I would take a shot at it and I said yes, so that is when I went to the old association.

Mr. WATSON. Was that in the Fall of '44?

The WITNESS. No; I think that was in the Summer of '44.

The COURT. Anyway, you got interested in it through Frank Martel?

The WITNESS. Yes; and Bill Green was tired of issuing charters here because they never got anywhere, they would open up an office, fail to pay bills, rent, telephone, and they never got any per capita tax or anything, and finally closed owing a lot of bills. I went in to organize it for the one reason, to clean it up, and that is exactly why I went into it. I still worked at the Laundry Workers all of the time I was trying to organize this and I put a lot of my own money into it, I hired people to work with me, fellows I have been with for years, and that is the way it worked and that is how it started.

By Mr. WATSON:

Q. When you decided to take over, first, on part-time basis and later on a full-time basis, did you decide to pick up one of the old charters, or go out and get a brand new charter?—A. I wouldn't take the old charter. I said I am to have a charter free and clean and clear, one of my own.

Q. Who arranged that charter?—A. Mr. Martel.

Q. And he got a new charter for your present local?—A. Yes.

Q. What is the local number?—A. 28134, I think. I can't even remember the number myself.

The COURT. At any rate, Martel got the charter for you through Bill Green?

The WITNESS. Yes, and George Media.

The COURT. The National President?

The WITNESS. Yes.

By Mr. WATSON:

Q. Can you tell us approximately the date that charter was issued and you started out?—A. I was assured the charter would be issued before I got it, because they had to have a board meeting and I was out working, taking in members along before I actually got the charter.

Q. This brings us up to about the Fall of 1944?—A. Yes.

Q. And you had application from 25 or so?—A. Maybe 50. I don't remember but I had a lot of cards.

Q. For membership?—A. Yes.

Q. And the people you were soliciting for membership in your union, this new local in the process of being set up, were the actual workers?—A. Yes, mechanics.

Q. Mechanics, repairmen and collectors?—A. Yes.

Q. Did you have any applications for membership from owners and operators?—A. I don't think so. I had one at that time, I believe.

Q. Do you have some today?—A. Yes.

Q. About percentagewise to the workers, how many?—A. Oh, I would say one-third of them are owners today, maybe a little more, maybe a little less.

Q. Under the philosophy of the operation of your local, is there against bringing the actual owner or employer into the local?—A. No, sir; not to my knowledge. I take them in. If they work with the tools, I take them in. If they don't work with the tools, I don't take them in. If they go out and solicit locations or work with tools and go out on emergencies they have to be members of the union.

Q. That is the deciding factor?—A. Yes.

Q. If they are just management?—A. They don't have to belong.

Q. They couldn't?—A. If they work part-time, if they go out on calls, they are eligible.

Q. But if they just operate the business from their offices, they are not eligible for membership?—A. That's right.

Q. Now, we want to question you specifically about a check dated August 28, 1945, made payable to Joseph Brilliant on the account of the Michigan Automatic Phonograph Owners Association, Incorporated, Chapter One. It is their check Number 100 signed by Brilliant and countersigned by DeSchryver, Secretary and Treasurer, and appears to bear the endorsements of Joseph Brilliant, E. C. James and Shirley Hunt.—A. Now, that check, I don't want to perjure myself on that, because I told you at the time I couldn't remember what that check was.

Q. Do you remember now?—A. Yes.

Q. Tell the whole story.—A. At one time, I don't remember the date, but Joe Brilliant went to Victor DeSchryver and was talking to him about doing something to help some Jewish fellows that were in trouble. They preached all amongst themselves. I don't know what this was but at a later date, some time after that, they were talking one day at lunch at Webster Hall and they brought it out and asked me what I thought about it.

Q. You were there?—A. Yes, and I said as far as I am concerned I don't care what you do with it, I don't know the man, if you feel like you want to help him, give him the money.

Q. Who was the man they were talking about?—A. Fleisher.

The COURT. Harry Fleisher?

The WITNESS. I think it was. Is there more than one?

By Mr. WATSON:

Q. Was that man they were talking about this Mr. Fleisher in trouble with the authorities?—A. Yes, he was in some kind of trouble, yes.

Q. Do you remember what sort of trouble?—A. Well, if I remember since. At that time I didn't.

Q. You remember now, is that what you mean?—A. Yes; he was in some kind of trouble for—at Pontiac, I think for gambling or some God damned thing where they robbed a bank, or a gambling house or something to that effect.

Q. Mr. Fleisher was one of the defendants or was in jail, or had been arrested on the charge?—A. I don't know the details on that.

The COURT. There were two Fleishers, one worked for you?

The WITNESS. Yes.

The COURT. Which one was this?

The WITNESS. I don't know, it wasn't the one working for me.

Mr. SCHEMANSKE. There were two Fleishers that were defendants in that case, in the Hooper conspiracy, and the robbery case in Pontiac.

By Mr. WATSON:

Q. What was this \$500.00 to be used for?—A. To give to him, he was taking up a collection, trying to get money to hire a lawyer.

The COURT. Who was doing it?

The WITNESS. He was doing it. He come to Brilliant and asked Brilliant for some money.

By Mr. WATSON:

Q. Have you ever seen Fleisher in your life?—A. Yes, I have saw him on several occasions but I don't know him well enough to speak to but I would know him if I seen him.

The COURT. Did you have any juke boxes under your control at O'Larry's Bar?

The WITNESS. O'Larry's Bar?

The COURT. Yes.

The WITNESS. That sounds familiar.

The COURT. Is that on Grand River?

Mr. SCHEMANSKE. It is on Davison, isn't it?

Mr. GARBER. No, on Dexter.

The WITNESS. Well, I would have to find out before I could answer that. I don't own any boxes at all of any kind but maybe there is a possibility—O'Larry's sounds familiar—might be some of our men had a box in O'Larry's Bar, and maybe they didn't, but I could check it and find out.

By Mr. WATSON :

Q. This check that bears your signature did pass through your hands?—A. I cashed it. I give him the cash.

The COURT. Brilliant gave you the check and you cashed the check?

The WITNESS. Yes.

By Mr. WATSON :

Q. And gave him the money?—A. Yes.

Q. \$500.00?—A. Yes.

Q. And, in turn, he gave it to Fleisher? Was Fleisher there at the time?—A. No; I never saw him. That lady's name on there—I never could figure who she was but I think she is the girl that come to work part-time for me in the office when my girl was off sick, and I think Shirley Hunt is a girl the other lady brought in to work in her place while she was off sick.

The COURT. How would her name appear on the check?

The WITNESS. She probably went to cash the check for me and she would have to sign it.

By Mr. WATSON :

Q. The stamped notation on the back shows this check was cashed by the National Bank of Detroit, Bagley-Clifford Branch?—A. That's where we do our business.

Q. On September 13th or 18th?—A. That's where we do all of our business.

Q. So that was just your means of getting back the money on the check you had cashed for Brilliant?—A. That's right. That's all I had to do with it.

Q. That is your full and complete story on that?—A. Yes.

The COURT. The check was a good check?

The WITNESS. Yes.

The COURT. Why couldn't Brilliant without contacting you at all, draw the check and endorse it himself and go down to his own bank and get the money?

The WITNESS. If you want me to, if you will let me tell you how this happened, I can.

The COURT. Go ahead.

The WITNESS. I come into Joe Brilliant's office, and he had this check in his pocket. I was sitting there talking to him and he said, "This guy is coming after this money, he has been bothering me for it, he wants it right away," and I said, "I will cash the check for you," and I had the cash in my pocket, so I give him the cash and put the check in my pocket and Joe will tell you the same thing.

By Mr. WATSON :

Q. Didn't you just tell us it was at lunch at Webster Hall?—A. No, no, that is where we talked about it at first.

Q. How did that happen that they took you into their confidence?—A. Because it was debatable whether they would do it or not. Joe asked my opinion about it. Joe is the man that brought it up. He is supposed to be a Jewish fellow and I don't know whether DeSchryver was too much in favor of it or not.

Q. But the three of you did discuss it at lunch?—A. Yes.

Q. Why would Brilliant be interested in drawing a company check, having it cashed, and giving the proceeds to Fleisher for Fleisher's defense?—A. I don't know, Judge.

The COURT. Is Fleisher connected in any way, directly or indirectly, with the juke boxes?

The WITNESS. In no way that I know of.

The COURT. Is he a muscle man in there?—A. He can't be in it, in any way, shape, or form.

Mr. GARBER. May I ask a few questions here?

The COURT. Yes.

Mr. GRABER. Wasn't there a regular organized drive to have these juke-box operators contribute to Fleisher's defense?

The WITNESS. No.

Mr. GARBER. Do you recall about the time of this check and Fleisher was raising money of one place on Russell Street being dynamited?

The WITNESS. I don't know nothing about that. I remember when it happened.

Mr. GARBER. Weren't they asking at that time that these people make a contribution?

The WITNESS. I don't know.

Mr. GARBER. In fact, didn't they ask this particular place to make a contribution to Fleisher's defense?

The WITNESS. No, sir. Fleisher, to my knowledge, as far as I know, never contacted anybody for anything except Joe Brilliant.

Mr. GARBER. About that same time, wasn't there another place over here on the West Side that they found the dynamite under this man's door that hadn't exploded yet?

The WITNESS. Yes. I don't know about the dates but that happened.

Mr. GARBER. About what time?

The WITNESS. I am not going to say about that time because I don't know.

Mr. GARBER. All right, it did happen?

Mr. GARBER. Yes.

Mr. GARBER. And they had had juke-box trouble in both of those places?

The WITNESS. Well, I don't know whether you would say juke-box trouble but it is possible there was.

Mr. GARBER. Well, this one place had the corner of his saloon blown off by dynamite and this man had put out one of the men from the Union evidently, a union operator, and taken on a colored operator because most of his clients were colored and they wanted music that would suit them, and they had been having some difficulty about that?

The WITNESS. That is the one over on Russell Street?

Mr. GARBER. Yes.

The WITNESS. Well, I don't know that the side of the building was blown out. I never saw that and I never was in the place to my knowledge before or after. Maybe I was in there after that because that thing changed hands two or three times but I know nothing of jumping and I had no part of it, and nobody that worked for me had any part of it.

Mr. GARBER. Do you know whether all of the operators, not only Mr. Brilliant, but all of them were asked to contribute to Mr. Fleisher's defense fund?

The WITNESS. If they did I never heard it.

Mr. GARBER. Never heard it?

The WITNESS. Never heard nothing about any of those guys except this one thing I told you about that came up and Joe wanted to give him \$500.00.

Mr. GARBER. You thought this \$500.00 was given by Mr. Brilliant?

Mr. WATSON. This is a check of the Association.

Mr. GARBER. But the check was drawn by Mr. Brilliant and Mr. DeSchryver?

The WITNESS. Yes.

Mr. WATSON. On the Association?

Mr. GARBER. Yes.

The COURT. Who is the payee?

Mr. WATSON. Drawn to Brilliant and signed by DeSchryver.

Mr. GARBER. And an Association check.

Mr. SCHEMANSKE. In this lunch at Webster Hall, anything said about a collection of money for a defense fund?

The WITNESS. No.

Mr. SCHEMANSKE. For a fellow by the name of Trilk on the West Side, that was a gambler?

The WITNESS. No, at the time this was brought up, I didn't know about it.

Mr. SCHEMANSKE. Did you know Trilk?

The WITNESS. No, never met him.

The COURT. Doesn't it seem singular to you, knowing what you do about the Wurlitzer Distributing being backed by some gangsters that the Association who is a member or a member in your Union would at least be tied in with Fleisher?

The WITNESS. No, sir.

The COURT. Doesn't that strike a note with you?

The WITNESS. Judge, it doesn't. This is all hearsay.

The COURT. It certainly does with me.

The WITNESS. Because I don't think those fellows are any too close together. I know that.



By Mr. WATSON :

Q. May we have your answer again?—A. I said not to the best of my knowledge I don't think they are. I don't think they are too close together. That is just my personal opinion. I never heard where Fleisher solicited or did anything that ever come back on me.

Q. Have you had any contact during the years you have been in Detroit and active in Union affairs with any of the men who were known as members of the Purple Gang?—A. No, sir, never in my life.

Q. Never had occasion to go to them for pickets?—A. No; I wouldn't know one of them if I seen him outside of this one and I saw him downtown a few months ago.

Q. Was he pointed out to you?—A. Yes; I asked a fellow who he was.

Q. Where did you usually go for your pickets?—A. Down on Skid Row, down on Michigan Avenue.

Q. Who did the marshaling of these fellows to get them together?—A. We all worked on it. I did and the fellows that worked for me, we got colored pickets over on Hastings Street, and we got some from the other unions and if we needed a lot we went out with cars and picked them up wherever we could.

Q. What is the per diem rate?—A. I have paid as high as a dollar and a quarter and never less than a dollar.

Q. For how long?—A. An hour.

Mr. TRAVIS. Skid Row pickets get that much money?

The WITNESS. Yes.

By Mr. WATSON :

Q. So far as you know the Association, neither the Association or the Union has ever had occasion to call on any local gangsters in Detroit for support in any strike or picket operations?

The WITNESS. No, sir; I have fought them all the way through.

Q. Now, by fighting them, what do you mean you have fought them?—A. Before everybody, that element, that tried to get into the business. We try to keep them out of it.

Q. Didn't it seem singular to you when you sat by at this luncheon meeting and heard that the Association or Mr. Brilliant was contemplating making a donation of \$500.00 to Mr. Fleisher's defense fund?—A. No; that didn't bother me a bit because if I had been Mr. Brilliant and this fellow was a friend of mine and he had come to me for a donation and I had it to give to him, I would have give it to him.

Mr. TRAVIS. Did you give it to him out of your own funds or the Union funds?—A. I didn't give him anything.

Mr. TRAVIS. If the situation was reversed?—A. He didn't come to me.

By Mr. WATSON :

Q. That is all of the story of that?—A. That is all of that.

Q. About that \$500.00 check?—A. That's right.

Q. You have never seen this Fleisher except to have him pointed out to you on the street since?—A. I asked the fellow who he was.

Q. Do you know whether Mr. Brilliant does business with him?—A. I am positive he doesn't. I think Joe was asked for that money and he thought it won't hurt nothing and he figured—he figured the guy was going to prison and at least he could get him a lawyer, that is the way I feel about it.

Q. Who was this fellow's lawyer, do you remember?—A. No.

Q. This money was to take care of his legal expense for his trial?—A. Get him a lawyer, is the way I understood it.

Mr. WATSON. Any other questions on this particular subject?

The COURT. Not right at the moment.

By Mr. WATSON :

Q. Passing to Grand Jury Exhibit 102, concerning which you were previously examined. That is the check of August 26, 1946, drawn on the Owners Association for \$2,000.00 payable to Joseph Brilliant and endorsed by Mr. Brilliant.—A. You want me to tell the whole story about that?

Q. Tell us everything you know about that.

The COURT. Wait a minute.

(Discussion off the record.)

(Thereupon a document was marked Grand Jury Exhibit 108 by the reporter.)

By Mr. WATSON :

Q. I want to call your attention to Grand Jury Exhibit 108, being a check drawn on your Local Number 23814 of the Music Maintenance Workers' Union by yourself, check number 775, dated August 14, 1946, to cash, in the sum of \$2,000.00 bearing your endorsement and showing by stamp on the back it was cashed at your bank. I believe the Judge's question is, is there any relation between these two checks?—A. No.

Q. Well, first, then, tell us what your check number 775 was drawn for.—A. We had a case before Judge Calendar, supposed to come up on the 17th day of—let me see—last month, and I think I am right on the dates.

Q. You mean August or September?—A. Last month.

The COURT. This is October.

The WITNESS. Yes, September.

By Mr. WATSON :

Q. All right.—A. Now there was a case there before Judge Calendar, in his court, on a show cause hearing whether we would be restrained from picketing or not, and Mr. Barnard went into Judge Calendar's court and got an injunction restraining them from raiding the locations until after the hearing was over or something to that effect. Now, in the meantime, the Belvin Distributors owned three or four music companies and one of them particularly I have reference to is Carlo Liberato, so Carlo Liberato sold his route to beat the injunction and when he sold his route he went out free lance and started taking everything away under the disguise of another company, so he wouldn't be covered under the injunction, so I had made my mind up I was going to mass picket, picket every spot he had and I wrote this check out, I said, "Go down and get \$2,000.00 in cash," and I was going to picket 80 places if necessary, and I got everything lined up to go, and I went to Mr. Barnard and he said, "You had better not picket those spots until that injunction is cleared up," and I said, "They have sold the company, instead of it belonging to Carlo Liberato—the G. C. Music Company, he was holding that company still but he has formed another company and that company is not covered under the injunction and these people are taking all of our business," and I think, if I remember right, on that alone, there were about 28 and he advised me I had better not do it and as to that \$2,000.00, it is there still, it was never used. That is why the money was drawn out to pay pickets, and I was going to call a holiday in the business and take as many of my men off the job as I could because it would take 200 men to picket all of these places, and that is what this was drawn out for.

Q. Your corresponding entry on the check stub?—A. It says cash on hand.

Q. And you want us to understand that is the purpose of that?—A. Yes, cash on hand is the way I wrote it out.

Q. It is further your story, as I understand it, there is no relation whatsoever between that check and the one drawn by the Association, the Operators Association, a few days later?—A. None at all.

Q. All right, I understand you want to purge yourself with respect to the testimony previously given on this \$2,000.00?—A. Yes.

Q. Not the one we have just discussed but the one drawn and cashed by Mr. Brilliant?—A. I want to purge myself to one extent. I did know what the money was drawn out for. I told you I didn't. All right.

Q. Yes.—A. We will have to go back on that. This is a long story, too. Some months ago, I don't remember the date, Bilvin Distributing Company, when I had a picket line on their place—

Q. You are talking about the Wurlitzer Distributor?—A. Yes; when I had a picket line on that place, somebody went to a man named Gus Scholes, and you will find a letter in there to clarify that fact. At that time they went to Gus Scholes—I don't know who went but there was somebody connected with Bilvin or some Italian connected with the underworld went to Gus Scholes and tried to get him to issue a charter, so he didn't know what the score was and he started to issue a charter.

Q. A CIO charter?—A. Yes; but in the meantime, while the picket line was going on, one of the ex-members in the place came and told me they were calling up all of my members, and one of them, I think he is employed by the Hornbeck Music Company, he came to me and he said, "James, they are calling me in the Bilvin Distributing Company, wanting me to sign over to go into the Union and take us in for \$1.00 a machine per month and that they had a charter from the CIO," so the minute I heard that—

Q. Who was he talking about?—A. Bilvin Distributor, so I jumped right up and I went and got hold of Gus Scholes and I said, "Do you know what you are doing with that thing if you issue this charter," and he said he didn't know anything about it. The man said he had 30 or 40 people that wanted to go in the union and I said, "You are giving a charter to a bunch of mobsters to break up a labor organization," and I said, "If you issue that charter you are automatically going to make a fight between two unions to see who can handle it," so Gus Scholes gives me his word of honor then and there, if I would write him a letter to that effect, he would guarantee they wouldn't get a charter. I said, "That's fine," and I went back to the office and I think if you will look through those letters you will find I wrote to him and I explained why I didn't want him to issue that charter, and Gus Scholes said he will not issue it. Now there is another bunch of the CIO here, another bunch of it, where they have some kind of an electrical workers—I never met anybody in it but I know it is a dual union in that field, so I said, "I have got Gus Scholes stopped, he is not going to issue a charter," and the only chance I had of getting licked, if they get to this man they are trying to contact—we will call it the electrical workers union—that he was figuring on taking these people into his union, so I said, if that comes down to down, I am going to try to make a deal, I will go and see if I can't make a deal so he won't take them and they said "how much money do you think it will cost?"

Q. By they, who do you mean?—A. Brilliant and DeSchryver. I won't say whether DeSchryver, but one of the two. They said, "Well, if that is the case, we will see what we can do about it," so this was long before the date on that check. This was two months before the date of that check. So we went on and the thing didn't complete, didn't develop, so finally how they come to get the check, I don't know, but I did go to the Association and tell them I may want \$2,000.00 to buy this guy off so he won't go into the dual organization, but we didn't use the money. The money was drawn by this Brilliant. I told them I might need the money and if they wanted to come up with it I thought I could stop it, but the money was never used. The court action started and it was killed. The first case we had up was in front of—I don't remember these dates—that is what balls me up but we had court injunctions coming up about that time where Bilvin Distributors were picketed and I think that was in O'Hara's Court, and after that the heat got to going on this case, this and other things and it died out but it cropped up later where it looked like we were going to have to go out and do something about it. We heard rumors they were still trying to get them into the CIO after this thing happened, this picket line, it went smooth for quite a while, but that money was drawn out of the Association and it was drawn out to take care of this organization in whatever way it could be, for whatever we needed it, and, to my knowledge, the money never was given to anybody. I haven't got the money and I never took it.

Q. But you understood it was available for you?—A. Yes; at any time I wanted it I could get it.

The COURT. Why didn't you tell that story that way the first time you were here?

The WITNESS. Judge, I was working under a tremendous strain and I have everything I have got in this business and I stand to lose it all. I also have an executive board meeting going on today in Chicago and I stand to lose everything I have got. I got word if Bill Green found out anything was going on in this he would cancel my charter.

By Mr. WATSON:

Q. Well, when you made the statement here, when Mr. Brilliant confronted you that that money was got together to take care of some C. I. O. trouble you said he was lying.—A. No; he didn't tell me that. Somebody asked him, said, "Brilliant, did James get \$2,000.00 from you," or something to that effect and I said "No," and he said, "Did he ask for it," and he said "Yes," and I said, "Joe, you are a liar."

Q. That's the answer I had reference to, the qualification is, you asked it be available?—A. Yes.

Q. So really you don't have any quarrel with Brilliant?—A. I never did before.

The COURT. You asked Brilliant for the \$2,000.00 and he got it from the Association but he never did turn it over to you?

The WITNESS. Yes.

The COURT. In other words, the deal didn't go through?

The WITNESS. That's true.

The COURT. You didn't tell the entire truth?

The WITNESS. That's right.

The COURT. You took an oath and testified to tell the truth, the whole truth and nothing but the truth, not part of the truth?

The WITNESS. Yes.

Mr. WATSON. I would like to have this marked as an exhibit.

The WITNESS. Can I read that, please?

Mr. WATSON. Yes.

(Thereupon a document was marked "Grand Jury Exhibit 109" by the reporter.)

By Mr. WATSON:

Q. I will show you Grand Jury Exhibit 109 and ask you if that is your copy of a letter to Mr. Gus Scholes you just referred to?—A. That's it.

Mr. WATSON. Any further questions from any members of the staff of this phase of it?

Mr. SCHEMANSKE. No.

Mr. WATSON. Judge Murphy?

The COURT. Let me put a few questions to him. As I understand your testimony, Mr. James, after you contacted the officers of the Association, DeSchryver and Brilliant, and the others, you ultimately met the man from Ohio—I don't seem to be able to keep his name in mind. What is his name now?

Mr. WATSON. Presser.

The WITNESS. Presser.

The COURT. You met Presser and you met the head of the Ohio Operators Association here in Detroit?

The WITNESS. Yes.

The COURT. At least on one occasion you went down to Ohio and saw Presser there but in the meantime, you got an idea or request from Frank Martel to get a charter for a new local through Bill Green, and you organized that Association or rather organized that local and you are now the president of it?

The WITNESS. No; I am secretary and treasurer.

The COURT. Who is the president?

The WITNESS. A man by the name same as the other guy, his name is Fleisher, but no relation at all.

The COURT. Arnold Fleisher?

The WITNESS. Yes.

The COURT. But no relation of the other?

The WITNESS. No; I asked him that.

The COURT. Now, your local has practical control of that juke box industry with the exception of the operators that operate the new Wurlitzers?

The WITNESS. No; that is not quite right, Judge.

The COURT. Why?

The WITNESS. Because a lot of my operators own Wurlitzers and have bought new Wurlitzers and they are not all in the union. There is some of them not in the union, even though they are not connected with this group over here but my operators went down—you want me to go into that, you want me to clarify it?

The COURT. All right.

The WITNESS. To start out with Wurlitzer before had a policy where the people could live up to it and they bought phonographs from them, but they come out with a new policy, they call it a franchise right, where the man has to sign a paper with Wurlitzer giving the company exclusive rights, he can't buy anything but Wurlitzers. Up to that time my people had went in and bought phonographs from Wurlitzer. It was a good phonograph and I never told them not to buy them. Up to this day I never told them not to buy them and a lot of my people operate Wurlitzers, but when Wurlitzer put his people through the picket line and refused to negotiate and threw all of my men out of there, out of his plant, and took in his own people and then when I put the picket line on there and I called a general meeting and at that meeting the members voted not to service them, it was not to buy them, but not to service them, but the machines the operators had already bought, we made an exception, they would service those machines.

The COURT. So when you said the Wurlitzer has a franchise, you mean this distributing company—what is the name of it?

The WITNESS. Bilvin.

The COURT. When you are referring to Wurlitzer, you are referring to Bilvin?

The WITNESS. Yes.

The COURT. The Wurlitzer Distributor?

The WITNESS. Yes, they have you sign a contract that you won't purchase any other kind of a machine regardless of the type or place it has to go into, and the reason the people don't like it some spots don't call for a \$1,000 machine, some spots call for a \$400 machine, and they don't want to be sewed up like that.

The COURT. Now, your union through your collection of union dues, your organization, your local charges union dues to the field men that service—

The WITNESS. That's right.

The COURT. —the machines owned by the operators or the Association?

The WITNESS. Yes, sir.

The COURT. In other words, the field man you charge \$15.00 a month?

The WITNESS. \$7.50 and \$15.00.

The COURT. \$7.50 and \$15.00?

The WITNESS. \$7.50 for the mechanics because they are on straight salary and \$15.00 for the collector because he is on commission.

The COURT. That is on the basis of 70 cents per month per machine?

The WITNESS. That's the way I figure it, yes.

The COURT. So that the \$7.50 for the mechanic and \$15.00 a month dues for the collector is charged up against the 70 cents per machine per month and this is paid by the operators?

The WITNESS. That is close to being right but that is not quite right. That is the theory of it. The theory I would like to follow is really 70 cents, revenue per box, but the box doesn't pay 70 cents revenue. I try to limit them to so many machines.

The COURT. Each machine pays the union, as it works out, 70 cents per unit per month and part of that total is for union—straight union dues of the collector and the mechanics, whichever ones they have, and the operator pays any difference?

The WITNESS. Well, it is all about the same thing but that is not exactly how it works out but that is close enough, I suppose.

The COURT. Isn't that what you just testified to?

The WITNESS. No: the operators—the mechanics pay \$7.50 a month dues and the collectors pay \$15.00 a month dues and then the working operator—

The COURT. Give us some example of some big operator, the number of machines he has and the amount of dues he pays.

The WITNESS. It is the same thing, so what is the difference? Your theory is as close to right as mine, only I have a different way of doing it. The theory is practically the same.

The COURT. The theory is that each machine must pay the union 70 cents per month, to the union?

The WITNESS. No; that is not the way I try to figure it.

The COURT. Didn't you just say that?

The WITNESS. Equivalent to 70 cents, in some cases it don't work out to that because if a man has got three machines or four machines he pays \$7.50 a month and he could be an owner.

The COURT. I think the record is clear on that.

Mr. WATSON. All right, sir.

Mr. TRAVIS. Is it correct to say the minimum would be 70 cents?

The WITNESS. If he had them in the union, on five music boxes, he wouldn't pay 70 cents a box.

Mr. TRAVIS. In no event he would pay less than 70 cents?

The WITNESS. He knows the theory of it as good as I do.

The COURT. In other words, put it this way: If a man owned 100 machines and had two collectors, the collectors would be paying \$15.00 a month each, that's \$30.00?

The WITNESS. Yes.

The COURT. And if he had two mechanics, he would pay?

The WITNESS. \$7.50 apiece, \$15.00.

The COURT. That would be \$45.00 for the collectors and mechanics?

The WITNESS. Yes.

The COURT. And if he had enough machines, if he had 100 machines the net on each machine would be 70 cents for each machine or \$70.00 for the 100, and so the operator would pay \$70.00 per month to the union and \$45.00 would be charged as union dues for two collectors and two mechanics, and the balance, the difference between \$45.00 and \$70.00 the owner would pay?

The WITNESS. Providing it came out in the right category of machines they handle. One collector can't service over 40 machines, so two collectors would

be 80 machines and they would have 20 machines over. That would be two men and a half, and two mechanics can't service—in other words, two mechanics wouldn't be enough and I would say he should put on a part-time collector to collect those other 20 machines or he would want to collect them himself and his dues would be so much and it would be equivalent to 70 cents a box.

THE COURT. In the last analysis where a man has a number of machines, it is the union's idea to collect 70 cents per machine per month?

THE WITNESS. If it breaks out in an uneven number, he will pay that or will put more people to work.

By MR. WATSON :

Q. Now, another item that needs correcting is with respect to the payments made from the Music Maintenance Workers on a check signed by you to Josephine Hoffa and Alice Brennan over a period of from September 20, 1945, through April 30, 1946. You recall that your earlier testimony was that was the means of—A. What?

Q. That was a means devised by you to pay back a loan that Mr. Hoffa and Mr. Brennan had made to you in the sum of \$2,000.00 to help you get started in this union?—A. That's right.

Q. Now, do you want to change or modify your answer in that regard?—A. That is the exact truth, gentlemen, that is the truth.

Q. Well, Mr. James, we don't want to confuse you in any way. I want you to be very certain of your testimony because I think you have done a pretty good job of attempting to purge yourself on other items, but I do want to call your attention to the fact that the total of those payments which you have made to Mrs. Hoffa and Mrs. Brennan in that period of time is not any \$2,000.00. It is nearer to \$6,000.00.—A. I know that.

MR. TRAVIS. That is besides the money you had to pay the government for income tax.

THE WITNESS. I know that.

By MR. WATSON :

Q. Will you give us an explanation of why you found it necessary to pay substantially 200 percent in bonus or interest on an original loan made to you to start in business through the medium of paying the money back to the wives of these gentlemen you mentioned?—A. Well, I can give you the same answer I gave you before on that. When the money was paid back I continued to pay it because I figured it was good assurance.

Q. You mean assurance or insurance?—A. Well, I would say I thought it was good policy to do that.

Q. Why did you think it was good policy, Witness?—A. Because those fellows have been my friends and I don't deny it. They have been my friends for a number of years and they have been instrumental in helping me in lots of ways. Those fellows have always been good to me, and when I needed this money I tried to get it through their joint council and I couldn't get it.

Q. When you needed the money to get started in the union?—A. Yes; I couldn't get it.

Q. Through the council?—A. Their joint council.

Q. Why did you go to the joint council in the first place when it was Mr. Martel that encouraged you to get started into this business?—A. Mr. Martel has no facilities to give me any money.

Q. He has perhaps as much or more money, independently, as Mr. Hoffa or Mr. Brennan.—A. With all due regard to Mr. Martel, I doubt if he would loan me \$200.00, and I know that.

THE COURT. Why would Hoffa loan you money?

THE WITNESS. Because I have been very close to Jimmy and Bert.

THE COURT. Do you know Hoffa only makes about \$100.00 a month from the Union?

THE WITNESS. I didn't know it until you told me.

MR. WATSON. A week.

THE COURT. \$100.00 a week?

THE WITNESS. I didn't know it until you told me, but the reason I continued to pay it was because if I ever needed them I could call on them to help me.

By MR. WATSON :

Q. You say they have helped you in the past?—A. Not in this union; in the other union.

Q. How?—A. Well, not Hoffa particularly, because Hoffa had nothing to do with it, but the Teamsters, they had the drivers organized, and when we were trying to organize inside workers in the laundry they cooperated with us, they interceded with the boss and they tried to help us sell the idea to the boss, and they tried to help us, and I felt they kind of gambled that money and it paid off, it was a good thing, as the Judge said we hit pay dirt.

Q. Let's take this a step at a time. You went first to the joint council?—A. No; I went to Jimmy and Bert. I didn't go to the council.

Q. I thought you said after you found it couldn't come from the joint council—  
A. That's right.

Q. Did they advise you they would attempt to get the loan from the joint council?—A. They said that I couldn't because I wasn't a member of the joint council and they settled that question quick and at a later date I sat down and talked with them and they told me they would try to do it themselves and they did.

Q. By cash or check?—A. By cash.

The COURT. Why didn't they give you a check?

The WITNESS. I don't know why.

Mr. TRAVIS. You have any number of items, \$500.00, \$2,000.00, you can draw out there at will with an entry on your check stubs which don't mean much to anybody but yourself, at least, and why did you have to go through this round-about procedure of putting their wives on the payroll, paying income tax to the government, they did no work. Why didn't you show that \$2,000.00 as money you had advanced if, as a matter of fact, you had and pay yourself back?

The WITNESS. Because at that time when I got this money from them I suggested paying it back by putting them on the payroll and they told me they couldn't be on more than one payroll, so I suggested putting their wives on the payroll.

Mr. MOLL. Why did anybody have to go on the payroll? Why didn't you pay them back so much a month?

The WITNESS. Because I felt that would be helpful, it would be better to do it that way and if I needed them later I could call on them.

Mr. MOLL. That is the answer to the whole business, put them on there to get the benefit of their assistance?

The WITNESS. No; I put them on there for their advice or anything they could help me do within reason.

By Mr. WATSON:

Q. Then they did loan you \$2,000.00 and you paid them back almost \$6,000.00?—  
A. Yes.

Q. Through these payments to the wives?—A. Yes.

Q. And you kept the two wives on the payroll because it was good insurance?—  
A. Yes.

The COURT. Why did you take them off last April?

The WITNESS. You want me to tell you the truth about that?

The COURT. Yes.

The WITNESS. I saw they were in trouble and I was afraid I was going to get involved and get pulled into it just like I was pulled in.

By Mr. WATSON:

Q. So when you took them off on April 30th, that was just after all of the difficulty in connection with the drive to organize the grocers around the 15th of April?—A. Yes.

Q. As soon as you saw the handwriting on the wall you terminated the payments to their wives?—A. Yes.

Q. Now, one other thing, Mr. James. I think you said before in your testimony—

Mr. MOLL. Before you leave this other thing, why don't you ask James to give you the low-down on whether he had any agreement with Hoffa and Brennan before he ever brought the Union in here?

The WITNESS. No, sir.

Mr. MOLL. That's what everybody says.

The WITNESS. I did not.

Mr. MOLL. That's what everybody says, you had to grease your way in?

The WITNESS. I had to what?

Mr. MOLL. Grease your way in here with the new local, the tie-up with the Association.

The WITNESS. Mr. Moll, Mr. Brennan and Mr. Hoffa had nothing to do with the forming of this Union.

Mr. MOLL. Except to loan you the dough to do it with.

The WITNESS. They had nothing to do with the background, either, they know nothing of it.

Mr. MOLL. To me it is just as plain as the nose on your face, you went down to Cleveland, Ohio, looked that situation over, got a charter for a local, integrated that with an association, came in here to take over the jukebox operations.

The WITNESS. Mr. Moll—

Mr. MOLL. Borrowed your stake from Hoffa and Brennan and now you tell me that they weren't interested.

Mr. WITNESS. I never made a trip to Cleveland in my life to talk union business. I made a lot of trips to Cleveland but I didn't make them there about union business.

Mr. MOLL. Now, James, you know as true as you are sitting there, the idea of this local came to you from these jukebox operators and you cooperated with them to get the charter of this local and they knew what you were doing and you knew what you were doing, and once having got the charter, the next step was to get the association organized, put the two together, and then you say you had no interest in the operators.

The WITNESS. When this was started, I put my own money into it to start with.

Mr. MOLL. Well, your testimony is awfully weak on that point.

The COURT. How much money did you have when you started?

The WITNESS. I don't know how much I had. The books will show.

The COURT. Up to the time you got this local, how much were you getting from the other union?

The WITNESS. Somewhere around \$150.00 or \$60.00 a week; that is, altogether.

The COURT. Did you own your own house?

The WITNESS. Yes.

The COURT. Where?

The WITNESS. Out on Collingham Drive.

The COURT. Where?

The WITNESS. Out here Eight Mile and Gratiot.

The COURT. Had you had it paid for?

The WITNESS. No.

The COURT. How much equity did you have?

The WITNESS. Around—I think I sold the place—let me see. I must have had about \$4,000.00 equity, three or four.

The COURT. Have any money in the bank?

The WITNESS. A little bit, not very much.

The COURT. How much?

The WITNESS. Very little.

The COURT. And that was the early part of 1945?

The WITNESS. Late part of '44.

The COURT. Now you have a \$25,000.00 house?

The WITNESS. It isn't paid for.

The COURT. How much is due?

The WITNESS. I owe \$15,000.00.

The COURT. You have ten thousand in it?

The WITNESS. Yes.

The COURT. And you have a financial agent, financial angel in your own right to Brilliant, you have checks there?

The WITNESS. I explained to you why I gave him that \$3,500.00.

The COURT. You are now in such financial condition, you were last summer, you could give Brilliant \$2,500.00 at one time and \$3,500.00 at another time.

The WITNESS. No, no; the only money I gave Brilliant, as I told you, was \$2,500.00—is that what that check calls for?

The COURT. Do you have any other source of income except what you get out of your local?

The WITNESS. Yes.

The COURT. What?

The WITNESS. I have two other sources of income.

The COURT. What?

The WITNESS. Laundry Workers and International Seventh Vice President of the Laundry Workers, I am president, the Laundry Workers Union in Detroit.



The COURT. What do you get there?

The WITNESS. At first I got a very good salary and then I cut myself down to \$5.00 a week because the International Union says you should stay on the payroll for something, and I get \$50.00 a week from the International, plus expenses.

The COURT. That is \$55.00 a week you get plus all of this Union, what this juke-box business pays you?

The WITNESS. Yes.

The COURT. And this Union pays you \$225.00?

The WITNESS. Yes.

The COURT. From that source, those combined sources, you have bought this new house and are in a position where you can pay, where you can loan substantial sums of money from time to time to Brilliant?

The WITNESS. You get that wrong. I am trying to clarify it. When I loaned Joe Brilliant this \$2,500.00, if you will check back, you will find I borrowed \$5,000.00 from Victor DeSchryster and this money was laying in the bank because there was something wrong with the deed, and Seymour Frank can clear that up for you, we couldn't buy the house at the bank because there was something wrong with the deed and I had to take it on land contract for a certain period of time, and I had this money accumulated there to buy this house outright of \$10,000.00 down, but after I found out it would take two or three months to get this straightened out, that money was laying in the bank, and I said, "I have got it but you will have to get it back to me when the time comes to close the deal."

The COURT. How much money have you and your wife combined in the bank?

The WITNESS. When I went to jail I think roughly around a thousand dollars and I think since I went in she has put every dime she could in there, out of my check.

The COURT. Do you have any war bonds?

The WITNESS. Yes, I have a few bonds.

The COURT. How many?

The WITNESS. Oh, I imagine I have got around—I can't answer that but I put \$18.50 worth a week—I buy that much each week during the war and I am still buying them. That is out of my check every week, and I am still buying \$18.50 a week.

By Mr. WATSON :

Q. Now, you told us earlier, Mr. James, you had instructed your attorney, in writing, to discontinue this petition for leave to appeal in certiorari to the Supreme Court?—A. Yes.

Q. You instructed him to that effect today before you came over here?—A. Yes.

Q. Have you had any confirmation as to whether or not the proceedings, or your instructions have been followed?—A. All I know, I signed an affidavit to withdraw it and to stop it, and dismissed him, I told him I didn't want him as my attorney in this Grand Jury thing. That is all there is to that. I signed an affidavit and sent it to him.

Mr. MOLL. Did you read this petition for leave to appeal?

The WITNESS. I signed it. I didn't read it.

By Mr. WATSON :

Q. I note you state in there you were not sworn to secrecy, which is not a fact?—A. If that is in there, I probably told him that because at the time I was sworn in I didn't know I was sworn to secrecy, but when you swore me in, that is when I was sworn to secrecy, but that thing don't amount to anything. I have stopped that.

Mr. MOLL. Well, off the record.

(Discussion off the record.)

(Witness excused.)

4:35 p. m.

JOSEPH BRILLIANT, having been previously duly sworn, was recalled, examined, and testified further as follows :

Examination by Mr. WATSON :

Q. Mr. Brilliant, you are again appearing before the same Grand Jury, under subpoena, and are reminded you are still under oath?—A. Yes.

Q. Appearing for further testimony?—A. Yes.

Q. You were questioned on one of your previous appearances here with respect to Grand Jury Exhibit 101, a check made payable to you of the Association for the sum of \$500.00?—A. Yes.

Q. Endorsed by yourself, also bearing the endorsement of E. C. James and Shirley Hunt. I will give you a chance to clarify your previous testimony which was that you didn't remember what that check was for or about unless it was to reimburse you, I think you testified, for some expenses, personal expenses you had had in connection with the affairs of the Association.—A. Well, what is that officer's name that talked to me?

The COURT. Leigh Remington.

The WITNESS. He asked me if I give that money to Harry Fleisher and I told him I did but I don't remember if it was part of this money or not.

By Mr. WATSON:

Q. Well now, who is Harry Fleisher?—A. Gentlemen, you know who Harry Fleisher is as well as I do.

Q. We do, but for the purpose of the record.—A. For the purpose of the record Harry Fleisher came up and asked me—

Q. No, the question is, Who is Harry Fleisher. What does he do for a living; do you know that?—A. No.

Q. How long have you know Harry Fleisher?—A. About 20 or 25 years.

Q. Is he related to you?—A. No.

Q. What is the nature of your acquaintance, has he ever worked for you?—A. No.

Q. Did you go to school together?—A. I don't remember if he went to Bishop or not but I have know him all of those years.

Q. Did you grow up in the same neighborhood?—A. Yes.

Q. Where did you live as a neighbor of his?—A. 947 Erskine.

Q. What street?—A. Erskine.

The COURT. Where did he live?

The WITNESS. On Winder, I think, three or four blocks down.

By Mr. WATSON:

Q. Did you ever employ him for any purpose?—A. No.

Q. Did he ever work for any company with which you were associated?—A. No.

Q. Were you ever engaged in a mutual enterprise of any sort?—A. No.

Q. Did you ever engage in any business directly or indirectly with Mr. Fleisher?—A. No, I made a hockey bet with him at one of those games for a couple of buck at one time.

Q. Is it fair to state that Mr. Harry Fleisher is a known police character?—A. Yes.

Q. With more or less a criminal record?—A. To my knowledge, yes.

Q. I beg your pardon?—A. To my knowledge, yes.

Q. You wish to testify you did provide some money for his defense in a recent criminal proceeding?—A. Well, I don't know what he used that money for, but he asked me for it and I gave it to him.

Q. When did he ask you for it?—A. It is a long time ago, a year or a year and a half.

The COURT. What was the occasion?

The WITNESS. The occasion was when he was up for that trial in Pontiac for something.

By Mr. WATSON:

Q. Robbery armed?—A. I don't know which one it was.

Q. Well, was he recently tried, as well as you can recollect, for the stick-up of some bar or gambling place in Pontiac?—A. Yes.

Q. Had he been in jail?—A. Yes.

Q. Did you talk to him at the jail?—A. No; he called me up and he stopped by once and asked me wouldnt I help him out and loan him \$500.00 and I said I didn't think I could spare it, and he said whatever you can spare, I will appreciate it, and when and if I get out, and you can get it, and he said, "Joe, I never asked you for anything in my life."

Q. Did you agree to help him to the extent of \$500.00?—A. No; I said, "I will see what I can do." I didn't state the amount.

Q. You had occasion to discuss that request for assistance by Mr. Fleisher with some other people?—A. Yes.

Q. With whom did you discuss it?—A. I think two people.

Q. They were whom?—A. Jimmy and Vic.

Q. Jimmy James and Vickie DeSchryver?—A. Yes.

Q. Where was it that this discussion took place?—A. I don't remember.

Q. Do you remember the lunch at Webser Hall, discussing it with those two gentlemen at lunch there?—A. Could have been there. I just don't remember what I discussed.

Q. What was the occasion of your discussing it with them?—A. Well, I didn't feel I wanted to put it out myself and I was going to ask Vic if it was all right that we take it out of the association and loan it to him because I thought it was a bad deal.

Q. You didn't ever expect to see the money back?—A. Well, I didn't know whether I would or not but he said he would give it back.

Q. So what was the opinion expressed by James and DeSchryver when you discussed it with them?—A. I really don't recollect what Mr. James said, but I think Vic says—Vic didn't want no part of it, and I said "Well, I have some expense money coming and I will draw it that way and if I give it to him I am giving him my money."

Q. Don't you remember, Mr. Brilliant, drawing this specific check for that purpose and asking Mr. James to cash it for you?—A. No; I will say I don't remember it that way, honestly. I knew I drew the check and I think I did ask Jimmy to cash it for me, but I don't know what specific purpose, when or why, but I think he cashed it for me.

Q. How was the money paid to Harry Fleisher?—A. I didn't give him \$500.00.

Q. How much did you give him?—A. \$300.00. I think it was three, and it wasn't five..

Q. How and where?—A. It was cash and he sent some fellow over to pick it up at my office.

Q. Whom?—A. I don't know the fellow. He called up and said he was sending some fellow over, would I give it to him and I gave him \$300.00 in an envelope.

Q. How did you get word to him you were going to go along and give him some money?—A. He called me again.

Q. What was the money to be used for?—A. Well, I suppose—he said he needed it for attorney fees and what-have-you.

Q. Who was his attorney?—A. I don't know; I haven't the slightest idea.

The COURT. What did you do with the other \$200.00 you drew out?

The WITNESS. I had expenses and I took it for that reason. I didn't give it to nobody, sir.

The COURT. The last time you testified, you testified that that \$2,000.00 check was to reimburse you for expenses you had incurred since the inception of the Association against which you had never drawn anything.

The WITNESS. These are the only two times I drew any outside of minor things, and you asked me, and I told you the truth about it.

By Mr. WATSON:

Q. You did testify later respecting the \$2,000.00 check you had drawn, that you held that sum of money available for Eugene C. James?—A. Yes.

Q. For expenses that he had been put to or anticipated being put to?—A. Yes.

Q. In connection with efforts to start a rival union?—A. Yes.

The COURT. You didn't testify that way?

The WITNESS. Yes.

The COURT. You testified you took the \$2,000.00, paid it over to James, so he could reimburse himself for moneys he spent.

The WITNESS. No, sir. No, sir.

The COURT. What became of the \$2,000.00?

The WITNESS. I have it, sir.

The COURT. Where?

The WITNESS. In the bank. I was going to put it back in the Association office.

The COURT. Intermingled with your own funds?

The WITNESS. Yes; and I was going to put it back last week, and I figured there was no sense of putting it back until this thing was straightened out.

Mr. GARBER. Who knows you have the \$2,000.00 besides yourself?

The WITNESS. Vic DeSchryver.

Mr. GARBER. Is that all?

The WITNESS. That's all.

Mr. GARBER. The board of directors of the association know about it?

The WITNESS. They know I took it.

Mr. GARBER. They know you didn't spend it?

The WITNESS. Yes; they know it now.

Mr. GARBER. When did you tell them.

The WITNESS. Everybody asked me what I did with it.

Mr. WATSON. Embarrassing, isn't it?

By Mr. WATSON:

Q. You want us to understand you paid no part of the \$2,000.00 to James?—A. That's right, sir.

Q. Tell us, Mr. Brilliant, what knowledge you have of the working personnel in the office of the Union, this particular union?—A. I know the red-headed fellow.

Q. What is his name?—A. A little, short, red-headed fellow. I don't know his name. I can't think of it offhand. I know Sam Levine. I knew the girl that worked there previously. I talked to her, and I seen her, and that's the only thing I know about it.

Q. Did you ever meet Mrs. Hoffa in the office of the Union?—A. I never met Mrs. Hoffa any place in my life.

Q. Did you ever meet Mrs. Brennan?—A. No.

Q. Do you know whether they were employed by the union?—A. No.

Q. You know they weren't employed by the Union?—A. No, sir.

Mr. SCHEMANSKE. Who is the president of the local?

The WITNESS. I don't know. I know one time they had Clare Spooner; he was president for a week, and he resigned.

Mr. SCHEMANSKE. Who is the secretary?

The WITNESS. I don't know any of the officers.

By Mr. WATSON:

Q. James—A. I don't know any of the officers or anything of the kind. I know them if I see them.

Q. As a matter of fact, Mr. Fleisher is President of the Union right now?—A. Who?

Q. A Mr. Fleisher?—A. Yes; Arnold Fleisher; he used to work for Modern Music.

Q. What relation is he to Harry Fleisher?—A. None at all.

Q. He is not related to Harry Fleisher you knew in your boyhood days?—A. Not to my knowledge.

The COURT. Where do you live?

The WITNESS. 18672 Northlawn.

The COURT. Up near the Seven Mile Road?

The WITNESS. Yes; a block and a half from the Seven Mile Road.

Mr. GARBER. Who audits the books for the Michigan Automatic Phonograph Owners?

The WITNESS. Kinsworthy.

Mr. GARBER. How do you account for this \$2,000.00 you have over in your own bank account to the auditor?

The WITNESS. I don't account to him.

Mr. GARBER. How do you spend that money you have over there? Who authorizes it?

The WITNESS. The board.

Mr. GARBER. Did they authorize this \$2,000.00?

The WITNESS. Yes.

Mr. GARBER. Is that in the minutes of your meeting?

The WITNESS. Not yet.

Mr. GARBER. When was the meeting?

The WITNESS. After the meeting there—when I took the \$2,000.00, and now we didn't want to put it in the meeting—in the minutes, until this thing was over and through all of this upset we just let it alone as it is.

Mr. GARBER. Does it appear in any of your minutes about that \$300.00 or \$500.00 to Fleisher?

The WITNESS. No.

Mr. GARBER. Why not?

The WITNESS. That was my own and I took that for expenses for myself and if I gave it away, that is my business. I took it for myself.

Mr. GARBER. It seems to me whenever you want to do something you take out expense money.

The WITNESS. You can look through our books and see how much I have spent in two years and how much I have given away in two years, and you will find out it is very little.

Mr. GARBER. Why do you have more expenses than anyone else?

The WITNESS. What do you mean?

Mr. GARBER. Well, as far as that is concerned over there?

The WITNESS. Well, if anybody comes in to town I generally take them out; if we go up to Grand Rapids or Saginaw for the Association, I generally go, and when we go I generally foot the bill, and so I take it out but many times we have went and I never took anything out of there.

Mr. GARBER. Do you ever present a bill to the Association?

The WITNESS. No.

Mr. GARBER. How do they know how much you have taken?

The WITNESS. Well, they have never questioned me up until now.

Mr. GARBER. How do they know?

The WITNESS. I told them, they just take my word for it, but I will know different now.

Mr. GARBER. What do the auditors go by?

The WITNESS. Just what is shown in the book, the checks we draw. Everything taken out of there is taken out by check and he goes by the checks.

Mr. GARBER. What did you report to the auditor you did with this money?

The WITNESS. This \$500.00.

Mr. GARBER. Yes.

The WITNESS. I told him I took it for my personal expenses.

Mr. GARBER. What about the \$2,000.00?

The WITNESS. I told him the same thing.

Mr. GARBER. In other words, your auditor is in the dark as to the expenditure of this money?

By Mr. WATSON:

Q. Well, now, wait a minute. Brilliant. That isn't the way the \$2,000.00 was set up in your books. Who keeps these books?—A. The girl in the office.

Q. Who told her to charge this up to this mythical "members equity" account?—A. I don't know. I didn't. That is Vic. I have never even looked at those books.

Q. Account Number 78, "membership equity", for \$2,000.00. The girl just didn't dream that up.—A. To be honest with you—

Q. Who told the person that keeps the books to disguise this in that manner?—A. I don't know. I want to be honest with you.

Q. That is the only way you should be, is honest with us.—A. I don't know what this equity business is.

Q. I am not sure I do either.—A. I don't know what that means.

Mr. WATSON. Is that all from this witness at the moment?

The COURT. This is off the record.

(Discussion off the record.)

The COURT. That's all for the time being.

(Witness excused.)

5:40 p. m.

VICTOR DESCHRYVER, having been previously duly sworn, was recalled, examined and testified further as follows:

The COURT. Mr. DeSchryver, you have been before the Grand Jury before?

The WITNESS. Yes.

The COURT. You are still under oath?

The WITNESS. Yes, sir.

The COURT. I will show you Grand Jury Exhibit 101. What is the full story on this check for \$500.00?

The WITNESS. Well, this check was issued about the time I first became secretary-treasurer of the Association and it was presented in this way to me by Mr. Brilliant, that at that particular time there were some men, some friends he knew—

The COURT. Speak louder.

The WITNESS. There were some men, some friends that he knew that were fighting a court case and they needed some money to fight this court case and they had solicited funds from him and it was his thought at that time that our association or the business itself would need friends to fight off the Italian

element we figured was coming into the business and the check was issued to him for that purpose, issued to Mr. Brilliant.

The COURT. Who were the funds going to ultimately?

The WITNESS. As far as I know it was to go to a Jewish fellow that Joe named.

The COURT. Did he mention the name?

The WITNESS. I discussed that with one of the detectives the night they brought Mr. James out.

Mr. WATSON. Remington.

The WITNESS. And at that time we both attempted to identify the approximate date, but we couldn't. I couldn't say any name because I don't know.

The COURT. It was Harry Fleisher; wasn't it?

The WITNESS. I couldn't say, sir; I couldn't say.

The COURT. Either a member or a former member of the Purple Gang?

The WITNESS. That I don't know, sir.

The COURT. But the man he is going to give the proceeds of the check to wanted to have him as a friend to fight off the Italian element that was putting across the Wurlitzer machine; is that it?

The WITNESS. Well, I wouldn't exactly say that, sir. It was more with the idea that they wouldn't bother us.

The COURT. Who wouldn't bother you?

The WITNESS. This particular element, as he presented it, the Jewish element of the people in the town that were racketeers also.

The COURT. In other words, if it was to Fleisher he was paying it, he was sort of buying his piece so as not to have any crowd interfering with the business; is that it?

The WITNESS. Well, that's about the size of it, sir.

The COURT. How was it charged on the books?

The WITNESS. I couldn't say exactly, but I imagine it was charged as expenses to Joe Brilliant.

The COURT. How much did he give this man, do you know, out of that \$500.00?

The WITNESS. I don't know.

Mr. GABER. What was he supposed to give him?

The WITNESS. As far as I know, he was supposed to have given him the entire amount.

The COURT. Supposing he didn't, assuming he didn't give him the entire amount, what was he to do with the balance of the money?

The WITNESS. That, I don't know, sir. I have no way of knowing whether he did or didn't give any of it, of that check to anybody else.

The COURT. But he took it on that understanding?

The WITNESS. He took it on that understanding; yes.

The COURT. What is that \$2,000.00 check? What is the whole story on this \$2,000.00 check, Grand Jury Exhibit 102 drawn by Brilliant as President of the Michigan Automatic Phonograph Owners, check number 384?

The WITNESS. That check I believe I previously discussed with Mr. Watson the last time I was here.

The COURT. Let's have it again.

The WITNESS. This situation arose in this way: Mr. James got wind of the fact that the Italian people represented the people surrounding the Bilvin Distributing Company and their various operators were making overtures to the C. I. O. to start a union in the phonograph business and he paid them, at least said he paid \$2,000.00 to stop the issuance of a charter, and he, in turn, wanted his money back, and he made demands upon me for it and I refused. He made demands on Joe Brilliant and as far as I know Joe paid him the \$2,000.00 and then, in turn, went before the board and asked for his \$2,000.00 back. They, in turn, issued the check to him again under the guise of expenses to reimburse him for that amount.

The COURT. That's the check there before you?

The WITNESS. That's right.

The COURT. Reimbursement to Joe Brilliant of \$2,000.00, which he had paid to Jimmy James, is that right?

The WITNESS. Substantially, that is the story.

The COURT. Do you know whether he ever paid it to him or not?

The WITNESS. No.

The COURT. Did he ever tell you he did?

The WITNESS. He said he had; yes.

The COURT. He had paid it?

The WITNESS. Yes.

The COURT. When did he tell you that?

The WITNESS. Well, as near as I can remember, I imagine that would be about three weeks to a month before this check was issued.

The COURT. He had actually paid James \$2,000.00?

The WITNESS. That he said he had; yes.

The COURT. And he wanted to be reimbursed by this?

The WITNESS. Yes.

The COURT. Would you be surprised that he never paid him?

The WITNESS. Again I would have no way of knowing, sir.

Mr. WATSON. Has there been some discussion since you testified here before about putting the \$2,000.00 back in the Association treasury?

The WITNESS. Not to my knowledge.

Mr. WATSON. No discussion with you?

The WITNESS. No, sir; I haven't talked to anybody. I have scrupulously kept away from conversation with anybody.

The COURT. Off the record.

(Discussion off the record.)

The COURT. Are you satisfied with the way the Union is charging you operators of juke boxes, at the rate of 70 cents per box per month, you think that is justified? That is, are you satisfied with that charge?

The WITNESS. No, sir; in my own mind I am not.

The COURT. What?

The WITNESS. In my own mind I am not.

The COURT. You think that the operators ought to pay the Association 30 cents per unit per month?

The WITNESS. I think the operators should pay the Association whatever it takes, justifiably, to operate the Association.

The COURT. And you have about \$9,000.00 in reserve, haven't you, now?

The WITNESS. I believe the figure is about that.

The COURT. It is a non-profit-sharing corporation?

The WITNESS. Yes.

The COURT. Is there anything else you want to tell us at this time that you have thought of since you were here the last time?

The WITNESS. No, sir; not that I know of. I believe I have told you everything that I know concerning the thing, sir.

The COURT. Well, you sit outside there just for a minute.

(Witness excused.)

6:00 p. m.

EUGENE C. JAMES, having been previously duly sworn, was recalled, examined, and testified further as follows:

Mr. SCHEMANSKE. When you borrowed this money from Hoffa, did you have any arrangements with him, or agreement with him as to how you were to pay it back?

The WITNESS. I told him if the Union ever got able he would be paid back.

Mr. SCHEMANSKE. How much money did you borrow from him?

The WITNESS. \$2,000.00, a thousand apiece.

Mr. SCHEMANSKE. Whether the Union got back or not, you would feel you were personally going to pay him back?

The WITNESS. No; I borrowed it with the understanding it was to be used to organize the union. I told him I wanted to borrow it to carry on my work. I had got so far and I was out of money.

Mr. SCHEMANSKE. After you got the union started, got some funds in, and before you put Mrs. Hoffa and Mrs. Brennan on the payroll, did you have any conversation with Hoffa and Brennan at any time?

The WITNESS. Before I put them on the payroll?

Mr. SCHEMANSKE. Yes.

The WITNESS. Yes. I went over to them and I told them I wanted to pay them back by putting them on the payroll because I could do that without getting in trouble, what I mean by that is, I have people in my office working for me awful friendly to Martel and my check book and my books are not hidden in such a way anybody can go in there and look at them. I even took the checks—to let Martel know these fellows were on my payroll, would put me in a fine situation with Martel. The reason I didn't take it up in any other channel was because I had authority to put them on the payroll and we kept it hid for that reason.

Mr. SCHEMANSKE. What hid?

The WITNESS. That they were on my payroll.

Mr. SCHEMANSKE. It shows on the stubs of your check book?

The WITNESS. Yes.

Mr. SCHEMANSKE. You did issue checks from the first pay on?

The WITNESS. No. After the union got in position to stand it. I don't remember the dates. I started to pay them as quickly as I could.

Mr. SCHEMANSKE. When you did pay them, you paid by check?

The WITNESS. Yes.

Mr. SCHEMANSKE. Did you take it up with the local before you started paying them that money?

The WITNESS. No; I didn't.

Mr. SCHEMANSKE. What did Hoffa say to the fact you were going to put his wife on the payroll?

The WITNESS. That was my suggestion. I wanted to put him and Brennan on until I paid them back, and they said they couldn't let me.

Mr. SCHEMANSKE. Why?

The WITNESS. There is something about their constitution and bylaws, they couldn't be on but one payroll, and I suggested it. Him and Martel were fending and I didn't want to get mixed up with them.

The COURT. What did he say then when you suggested putting their wives on the payroll?

The WITNESS. He said he didn't see anything wrong with it as long as the income tax were paid.

The COURT. You paid the income tax?

The WITNESS. Yes; I did.

The COURT. From local funds?

The WITNESS. Yes.

The COURT. You didn't pay it personally?

The WITNESS. No.

Mr. MOLL. Did they file returns?

The WITNESS. I don't know that but they must have filed returns because I got a notice back from the income tax, something about social security. I don't know whether they paid income tax or not.

Mr. WATSON. Well, maybe we can help you.

The WITNESS. I know everybody were deducted that worked for me and their pay was no different than anybody else.

Mr. SCHEMANSKE. Was Bert Brennan present at the time you talked to Hoffa?

The WITNESS. Yes; both of them.

Mr. SCHEMANSKE. You talked to both of them?

The WITNESS. Yes.

Mr. SCHEMANSKE. Where did you have this conversation?

The WITNESS. I don't remember exactly where I did, now. I used to go to lunch with them quite often, up at Parker's, up on Second.

Mr. SCHEMANSKE. But it was in the City of Detroit, is that right?

The WITNESS. Yes.

Mr. SCHEMANSKE. Well, do you have a copy of your social security and income tax in the office?

The WITNESS. Well, I suppose they are there somewhere.

Mr. SCHEMANSKE. You have to fill them out every three months?

The WITNESS. The auditor probably has them.

Mr. SCHEMANSKE. Now when you had your conversation with Hoffa and Brennan did you tell them at that time or make any statement for what duration of time you would pay them this \$100.00 a week?

The WITNESS. No; I said I will put you on the payroll until I straighten you out or something to that effect. There was no specific time.

Mr. SCHEMANSKE. Assuming there has been no publicity about the meat dealers drive, how long did you intend to keep them on the payroll?

The WITNESS. Well, to tell you the truth about it, I hadn't give it much thought. I wouldn't have kept them on there too long but I would have kept them on there until I felt they were amply, until I knew they were paid back—of course, I knew they were paid back, actually, a long time before.

Mr. SCHEMANSKE. What did you consider would be ample?

The WITNESS. I didn't figure that time, I just figured those fellows know a lot of people in town, they are good friends to me, and if I can, I should do it, and if in the future I need help I can get it, they can do me a lot of good, they know a lot of people.

Mr. MOLL. Is that the customary practice?

The WITNESS. Sir?



Mr. MOLL. Is that the customary practice for a new local to borrow money from Hoffa and Brennan and pay them back three times more than they borrow?

The WITNESS. I can't answer that, truthfully. I never did it before and I never had an occasion to do it before, but I pay a lot of people, attorneys and people I pay, Christ, maybe I never need them, but if I need them, I have that assurance.

Mr. MOLL. This is the only part of your testimony I am quite suspicious of, borrowing money from those two fellows.

The COURT. When you borrowed the money, you got two thousand in cash, and the funds of the union were pretty low, were they not?

The WITNESS. There weren't any funds.

The COURT. What did you do with the two thousand when you got it?

The WITNESS. Well, I spent it.

The COURT. I mean did you bank it, first?

The WITNESS. No; I couldn't open a bank account at that time. I didn't have no charter.

The COURT. There was no record of it?

The WITNESS. There wasn't any record of my dues.

The COURT. You didn't give them any note?

The WITNESS. No; no receipt for the money, I gave them nothing.

The COURT. No receipt or no collateral?

The WITNESS. No.

The COURT. You never borrowed money before from either Hoffa or Brennan?

The WITNESS. No.

The COURT. You had no bank account?

The WITNESS. For the union, no, sir, I couldn't open one.

The COURT. Did you put the money in your own personal account?

The WITNESS. No; I kept it in my pocket.

The COURT. So there is no record anywhere you ever got that money from Hoffa and Brennan?

The WITNESS. No; let me clarify that a little further. At that time when I was taking the money for dues, I had to carry all of that money. I used to hide it in the Laundry Workers safe because I couldn't bank it. If I did, I couldn't check on it.

The COURT. Where were you when they handed the money over to you?

The WITNESS. I don't remember that: I think it was in Parker's but I am not sure. That is about the only place I ever went to lunch with them.

The COURT. Was it in large bills?

The WITNESS. I don't remember that. I know it was currency. I know there was some fifties and I don't know how many twenties.

The COURT. You are sure you did get \$2,000.00 from them?

The WITNESS. Yes, Judge; I got two thousand.

The COURT. No question about it?

The WITNESS. No.

Mr. SCHEMANSKE. Did I understand you to say you have not taken up with any members of the local about putting the two ladies on the payroll?

The WITNESS. No; I didn't have to do that according to my constitution—anything else, I do, but not that.

The COURT. Is it a fact you just contacted Hoffa and Brennan and told them you were trying to get this local on its feet and tried to get their cooperation but they gave you no money, and this was just a donation on your part for their cooperation?

The WITNESS. I went to a lot of people to get money and I couldn't.

The COURT. You still insist you got money from them?

The WITNESS. Yes, I still insist that. It is the truth.

Mr. WATSON. Have you got a copy of the constitution?

The WITNESS. You have got it here. No, you didn't get that either. Yes, I have got a copy of it.

Mr. WATSON. Do you have it printed up?

The WITNESS. No.

Mr. WATSON. Just one copy?

The WITNESS. The only one I got, I took them all, destroyed every one of them and hid the only two—the only two I got are the two used in the court. They are, you know, like he puts a mark on them.

Mr. WATSON. Exhibits.

The WITNESS. Yes, exhibits in the court, and then I work on them but those two—well, I wouldn't trust them to leave them in the office.

Mr. WATSON. You wouldn't trust who?

The WITNESS. I couldn't trust anybody at the last.

Mr. WATSON. You mean while you were in jail?

The WITNESS. No, while fighting those court cases. I went through about five or six court cases in the County Building.

Mr. WATSON. But there are two copies of the charter in existence?

The WITNESS. Yes, one I am positive of. I am positive of one constitution and there may be more but I know I have one approved copy of the constitution. Here is the way the constitution reads, it says the secretary-treasurer and business manager of this local union will have the right and authority to hire as much help as he sees fit, he can put them on and take them off at his discretion. That is not the exact words but that is the meaning of it. I had that authority.

Mr. WATSON. You have a right to hire as much help, that is one thing, but do you have a right—do you claim you have a right under that constitution to pay people who don't work?

The WITNESS. Well, I think I have, but if I am wrong, I am wrong.

The COURT. In other words, here as Grand Juror I have the right to hire or retain certain lawyers and help to assist in this inquiry, and I also have the right to fix their compensation. Of course, I am bound to do those things with discretion. Grand Juror or no Grand Juror, I have no right to put anybody here on the payroll that doesn't perform. In other words, I couldn't put the name of some lawyer over in the Dime Bank on this payroll and keep giving him money for doing nothing.

The WITNESS. Well, maybe I am wrong.

The COURT. You think you had that right to do that?

The WITNESS. Yes.

Mr. GARBER. You made pretty good out of this union, didn't you, Mr. James?

The WITNESS. Yes, I have done all right on it.

Mr. GARBER. You have no complaint, financially, at all?

The WITNESS. No, sir, I am happy and I don't want to lose it.

Mr. GARBER. Wasn't it the deal, when you got this money from Hoffa and Brennan, this was going to be a pretty good union and you were going to cut them in on the deal?

The WITNESS. No, sir.

Mr. GARBER. Isn't that why you had their wives on the payroll and wouldn't have taken them off if it hadn't been for the Grand Jury?

The WITNESS. No.

Mr. GARBER. They loaned you this \$1,000.00 apiece without any security or collateral?

The WITNESS. Yes.

Mr. GARBER. The only thing you had to talk to them about at all was get a franchise for the union.

The WITNESS. Yes.

Mr. GARBER. Going to be a juke box union?

The WITNESS. Yes.

Mr. GARBER. It wasn't even a Teamsters' Union?

The WITNESS. No, it was my union.

Mr. GARBER. And you kind of cut them in on the deal?

The WITNESS. No.

Mr. GARBER. About \$1,000.00 a month?

The WITNESS. No.

The COURT. Here, when you paid yourself, you took a check?

The WITNESS. Sir?

The COURT. Right here, it shows, and then when you paid the other help, you issued them a check?

The WITNESS. Yes.

The COURT. And you paid them like we would pay here to the various ones?

The WITNESS. Yes.

The COURT. Now, Mrs. Hoffa and Mrs. Brennan never came up around the office at all?

The WITNESS. No, that's true, Judge.

The COURT. How did you pay them?

The WITNESS. By check.

The COURT. Mail it to them?

The WITNESS. Yes.

The COURT. They never came up and got it personally?

The WITNESS. No, we mailed it to them every day.

The COURT. Did any of the other officers of your local know you were paying them?

The WITNESS. I didn't want them to know it. I don't know whether they did or not.

The COURT. Anything else right now?

Mr. MOLL. No.

Mr. WATSON. When can we have a copy of the constitution for examination?

The WITNESS. Any time you want it.

The COURT. Could the officers go up tomorrow morning and get it without your being there?

The WITNESS. No, sir, he couldn't.

The COURT. Well, wait outside.

(Witness excused.)

7:30 p. m

VICTOR DESCHRYVER, having been previously duly sworn, was recalled, examined, and testified as follows:

Examination by Mr. WATSON:

Q. Mr. DeSchryver, you are still under oath?—A. Yes.

Q. You were served with a subpoena for your original appearance up here, calling for your appearance on Monday, the 9th of September, at 2:30 P. M.?—A. That's right.

Q. On that day had you had a conversation in your office with Mr. Presser, Mr. William Presser and Mr. Leo Dixon of Cleveland, Ohio?—A. That's right.

Q. And was the matter discussed that the juke box business in Detroit was under investigation by the Grand Jury?—A. Yes, sir.

Q. Did anyone present at the first discussion suggest that Mr. James be called to attend the discussion?—A. No, sir; not that I recall.

Q. Now do you understand the question? Did someone there express the desire to talk to Mr. James?—A. Oh, yes; Mr. Presser did.

Q. Did he ask you to get hold of Mr. James?—A. He asked me where I thought Mr. James could be contacted.

Q. Did you or did he contact Mr. James?—A. Mr. Presser contacted Mr. James.

Q. By telephone?—A. Yes, sir.

Q. From your office?—A. Yes, sir.

Q. About what time of the day was it?—A. As near as I can recall it would be about some time between ten and eleven o'clock.

Q. In the morning?—A. That's right.

Q. As a result of that telephone contact, did Mr. James come to your office and join the meeting?—A. Mr. James came; yes.

Q. What, if anything, was said in your presence between Mr. James and Mr. Presser concerning the investigation being conducted by the Grand Jury?—A. Mr. James stated to Mr. Presser that there was a Grand Jury investigation and that he should remember that he and Presser didn't have a meeting with Mr. Hoffa.

Q. Now how was that said? In other words, was that a statement of facts as you understood it, there had been no meeting, or was it said in such a manner you gathered there had been a meeting but James was impressing Presser with the fact he should deny there had been such a meeting?—A. It was said in such a way you can construe it as telling Mr. Presser if the question ever arose he should deny it.

Q. But it was also put in such a way there was no doubt in anyone's mind there had been a meeting between James and Presser and Hoffa in Hoffa's office?—A. Yes.

Q. And by Hoffa we are talking about James Hoffa of the Teamsters Union?—A. Yes.

Q. Now again, for the purpose of the record, will you state what your understanding was as a result of the conversation with Mr. Presser and Mr. Dixon when they were first up talking about the organization of the association of the owners or operators and the integration of that organization with the union tie-up what was said about the necessity of distributing part of the \$5,000.00 locally in Detroit?—A. The gist of it would be to form a union such as that and maintain it so that it could be continued, could not be knocked down, that it would be substantial, it was necessary to pay money to individuals in the union movement.

Q. Here in Detroit?—A. That's right.

Q. And during those conversations Mr. Hoffa's name was mentioned and Mr. Brennan's name?—A. I believe that is correct, sir.

Q. Now, these suggestions were made by whom, that is who said it would be necessary to pay money to individuals here in Detroit out of the \$5,000.00 fund raised?—A. Mr. Presser.

Q. You have reason to believe that Presser had contacted or talked to Mr. Hoffa?—A. Yes, sir; I do.

Q. And you also have reason to believe that James and Presser together met in Hoffa's office and discussed this matter?—A. Yes, sir; I do.

Q. And you think that it was this meeting, or those meetings that Mr. James had reference to when he told Mr. Presser, in substance, to forget there ever had been a meeting in Hoffa's office?—A. Yes; I would say that was correct.

Mr. WATSON. I think that's all.

(Witness excused.)

7:55 p. m.

EUGENE C. JAMES, having been previously duly sworn, was recalled, examined, and testified further as follows:

Examination by Mr. WATSON:

Q. At the time the Association was being organized, I think we have discussed the fact that Mr. Presser and Mr. Dixon aided in the organization or gave some advice: is that correct?—A. Yes.

Q. Did you sit in on any of those conferences?—A. With Dixon or Presser?

Q. Or either of them?—A. I never sat in with Dixon and Presser to my knowledge but I think I did one with Presser.

Q. Where was that conference?—A. If I remember right it was in Tom LoCicero's office.

Q. Who is that?—A. Tom LoCicero. I am not sure now but I think that is where it was.

Q. Mr. Hoffa ever sit in on any of the conferences at or about the time of the original set-up?—A. No, sir.

Q. Are Mr. Hoffa and Mr. Presser acquainted?—A. Not to my knowledge.

Q. Have you ever talked to Mr. Hoffa or Mr. Presser together?—A. No, sir.

Q. Have you ever been in Mr. Hoffa's office with Mr. Presser?—A. No, sir.

Q. When did you last see Mr. Presser?—A. Jesus, I don't know.

Q. Well, give us your best judgment.—A. Three or four months, two months, three weeks, I don't know exactly.

Q. Give us your best estimate.—A. Two weeks before I got in jail.

Q. Where did you see him?—A. Up at Victor DeSchryver's place.

The COURT. About when was that? Your commitment, I believe, is dated the 13th of September.

The WITNESS. I think it was about a week or something close to that. I don't remember the day but before I went to jail.

The COURT. What was the occasion of that meeting?

The WITNESS. The occasion of that meeting, as far as I know, was some difficulty they were having in the distributing company there. Presser has resigned from the union and he now has the Aireon Distribution in Ohio.

The COURT. That is the Triangle Distributing?

The WITNESS. Yes.

The COURT. And he is associated with Mr. Dixon in that enterprise?

The WITNESS. Yes.

The COURT. Was Mr. Dixon with you the last time you saw Mr. Presser?

The WITNESS. Yes; they were over at Vic's office.

The COURT. Now did you just happen to be there?

The WITNESS. No; they called me and asked me to come up there.

The COURT. Was the Grand Jury discussed?

The WITNESS. I don't believe it was.

The COURT. Well, would you say—

The WITNESS. I don't believe it was discussed. I was only there, just in and out, and I came in there and if they were talking Grand Jury I don't remember it, because I was only there two minutes.

The COURT. Was it discussed in your presence?

The WITNESS. I don't believe it was.

The COURT. Well, let's not say whether you believe; say "yes" or "no."

The WITNESS. To my knowledge, no; it was not. I discussed the Grand Jury but not in that room.

The COURT. Did you discuss the Grand Jury with Mr. Presser?

The WITNESS. Yes; I asked Bill about that thing, if he knew anything about it, and he denied it to me.

The COURT. About what thing?

The WITNESS. About this money. I heard of him paying off and he wouldn't tell me.

The COURT. That was before you were in here?

The WITNESS. Sir?

The COURT. That was before you were in here?

The WITNESS. Yes.

The COURT. You were talking to Presser before you came here?

The WITNESS. Yes; that was before I came to the Grand Jury.

By Mr. WATSON:

Q. What do you mean you asked him about that thing?—A. I asked him who was the man give him the money and he denied getting it.

Q. What made you think that?—A. Because I heard he had and I didn't want to get mixed up in that thing.

Q. Where did you hear it?—A. Through undersources.

Q. What sources?—A. I don't know exactly who told me but, if remember right, I think it was one of the members of the board.

Q. Of the Owners Association?—A. Yes.

Q. Told you that was the subject of the inquiry?—A. No; I am going to tell you the truth on the damn thing; I didn't want to get balled up.

Q. We don't want you to either.—A. The first thing I heard about that, Al Switzer was a member of the board in the association, and one day Al Switzer called me up over the telephone and he said, "Jimmy, I am being kicked around," and I said, "So what?" and he said, "They threw me out of the association because I sold out a business," and he got to cussing and swearing, and I said, "What is the story?" and he said, "Vic DeSchryver and Joe Brilliant," he said, "they are not going to kick me around," and that is the first time I knew any money changed hands, because Switzer said he had contributed \$700. That is the first time I knew about that.

Q. Did you ask him any more about it?—A. Well, he said he was going to the D. A.'s, and I said, "Go ahead," because I didn't have nothing to do with it, and you know, and he said, "I am going to get even with those sons of bitches."

Q. How much did he tell you the fund was?—A. He didn't say. He said he give either 700 or 750.

Mr. MOLL. Where did the money go?

The WITNESS. Well, according to him, it went to Presser.

Mr. MOLL. When?

The WITNESS. I don't know when. He didn't say. He was hot and raising hell about it and cussing Brilliant and DeSchryver because something came up in the association and they suspended him and I told him if he wanted to go to the D. A., to go ahead and he admitted over the phone I knew nothing about it, and when Presser come to town I asked him about it and he denied it, and I said, "Who give it to him," and he wouldn't even admit he took it.

Mr. MOLL. Where was that conversation you had with Presser?

The WITNESS. In my car sitting in front of Victor DeSchryver's place.

Mr. MOLL. Just several weeks ago?

The WITNESS. Yes.

Mr. MOLL. What else did you talk to him about?

The WITNESS. That was the topic of conversation, and I also asked him what happened to the union. He quit his union and got into this distributing, and I asked him if he was going to bust up and he said no the union was all right, he said he had a chance to make some money in the distributing business and I said, "If you took any money in Detroit from those guys, you had better tell me you took it," and he denied he took it because I wanted to know who gave it to him.

Mr. TRAVIS. What did you care?

The WITNESS. I was interested in it. I heard it and I wanted to know if it was true. Nobody can say I had anything to do with that.

Mr. MOLL. What did you talk to Presser about in DeSchryver's office?

The WITNESS. They were talking about something, they had a fellow named Fred Mann there.

Mr. WATSON. Where is he from?

The WITNESS. He is the Aireon man, I think from Kansas City.

Mr. WATSON. That is spelled M-a-n-n?

The WITNESS. Yes, and another guy that works for Vic by the name of Mike somebody—Mike O'Conner, Leo Dixon, Victor DeSchryver, and Bill Presser. Those were the ones there and I was in my office and they called me to come up there and when I went up there they might have said something about the Grand Jury but I don't remember whether they did or not. I can't say but I talked to Bill about the Grand Jury in the car.

The COURT. What did you say to Bill Presser inside?

The WITNESS. Judge, I might have said anything. I don't know. I don't recall saying anything. I don't deny I didn't say anything. If you wil refresh my memory, I will tell you. What do you want to know?

Mr. WATSON. Presser is a resident of Cleveland, right?

The WITNESS. As far as I know he is.

Mr. WATSON. He had no interest in the Grand Jury being conducted locally, did he?

The WITNESS. Well, I don't know.

Mr. WATSON. Why would you discuss the Grand Jury with him?

The WITNESS. The main purpose, who got this damn money they were talking about. That's what Al Switzer told me over the phone and I didn't want them to get the impression I got the money.

Mr. WATSON. Did you have reason to believe anyone would accuse you, or had accused you of getting the money?

The WITNESS. Yes.

Mr. WATSON. What led you to believe that?

The WITNESS. Because Switzer had talked to Fleisher, president of my union.

Mr. TRAVIS. But you said Switzer told you he didn't think you had.

The WITNESS. No, but Switzer is a brother-in-law of the president of my union and I didn't want to get in any jam over that thing.

Mr. WATSON. Fleisher is president of your union but he holds a rather nominal position so far as administrative capacity?

The WITNESS. No, he passes anything that goes on.

The COURT. Did you speak about Brennan inside there?

The WITNESS. No, that wasn't mentioned, Brennan or Hoffa wasn't mentioned.

The COURT. Did you mention Brennan or Hoffa's name?

The WITNESS. No, they never mentioned it, to my knowledge.

Mr. WATSON. Did you mention Mr. Brennan or Mr. Hoffa?

The WITNESS. I don't think I did.

Mr. WATSON. Well, you would know, wouldn't you?

The WITNESS. No, not to my knowledge, I didn't. I will say I didn't.

Mr. MOLL. Address any remarks to Presser about Hoffa?

The WITNESS. No, sir.

Mr. MOLL. What?

The WITNESS. No, sir.

Mr. MOLL. Didn't say a word to him?

The WITNESS. Sir?

Mr. MOLL. Didn't say a word to him about Hoffa?

The WITNESS. No, sir.

Mr. MOLL. How long did that meeting last in DeSchryver's office?

The WITNESS. It didn't last with me over a matter of two minutes because I walked right in and turned around and walked out. I walked in Vic's office and these guys were sitting there and I said to Bill, "I want to talk to you," and the girl was sitting at the desk when I went in, and I went over and knocked on the door and they were talking. It was all Greek to me.

Mr. MOLL. What did they call you for?

The WITNESS. Presser called me.

The COURT. Why?

The WITNESS. I wanted to know what was going on. I had heard about this and I said, "You are accused of taking money from this association here," and I said, "I want to know who give it to you," and he denied he took it and that was the end of that.

The COURT. You are sure that is the whole conversation between you and Presser?

The WITNESS. Yes; because that is all I had to be interested in with Presser. If you want to go into this thing, you might as well know the whole damn truth of it. Presser owns a piece of that outfit, you know that, don't you?

Mr. MOLL. Oh, yes; yes.

The WITNESS. That is what they were discussing, and what it was, I don't know.

Mr. MOLL. We are not interested in what Presser owns. You know Presser knows Hoffa.

The WITNESS. No, sir; I don't. I don't know he knows Hoffa.

Mr. WATSON. Does he know Brennan?

The WITNESS. No; I don't think so unless he met them some way I don't know about.

Mr. MOLL. You, Hoffa and Presser have never had a conversation together?

The WITNESS. No.

Mr. MOLL. Never?

The WITNESS. No, sir.

Mr. MOLL. At no time?

The WITNESS. No; I don't think Hoffa knows Presser and I don't think Presser knows Hoffa.

The COURT. What did you say to Presser about Hoffa?

The WITNESS. Judge, I don't know if I said anything. If you tell me I said something, what I said, I will say so. Tell me what you want to know.

Mr. WATSON. You are here to tell us just what you think we want to know. You are called upon to tell all you know, what you know.

The WITNESS. I wasn't there long enough to sit down. I walked in and walked out and he went out with me.

The COURT. You must have gone in for the purpose of delivering some message if you were only in there a minute.

The WITNESS. No; he called me, Judge; and I didn't know he was in town.

The COURT. Here is a man you hadn't seen for some time and he called you up.

The WITNESS. Yes.

The COURT. Where were you when he called?

The WITNESS. At my office.

The COURT. Where is DeSchryver's office?

The WITNESS. Right up Woodward Avenue from my place. I am at Elizabeth and he is up about Elliott, between Elliott and the next street up there, and I got right in my car and drove right up there right then, right from my office.

The COURT. Who did you talk to there, Presser?

The WITNESS. Judge, I don't remember saying a thing in there about the Grand Jury.

The COURT. Who did the talking, you or Presser?

The WITNESS. They were talking about something and Presser says to me, "I want to see you," and we went on.

The COURT. When you came down, what did he say?

The WITNESS. The first thing he said to me, he says about the company, something about the company, it was \$35,000 in debt or something to that effect, and I knew he had a piece of it, and they were talking about canceling Vic out, the way the thing started originally—let's go all of the way.

The COURT. We only want that matter of conversation.

The WITNESS. I didn't say anything in there about that. I didn't do that, never.

The COURT. I am asking you when Presser called you up, you left your office and went up to DeSchryver's office, stuck your head in the door and saw Presser, did Presser then talk to you, or did you talk to Presser? He called you up and wanted to talk to you. What did he say?

The WITNESS. I told you what he wanted to talk to me about. I was the guy brought up about the Grand Jury.

The COURT. I thought you said you didn't talk about the Grand Jury.

The WITNESS. Out in the car.

The COURT. Did you leave together?

The WITNESS. Yes; I said, "I want to talk to you."

The COURT. Where did you go?

The WITNESS. Went out in my car.

The COURT. Then where did you go?

The WITNESS. We sat in the car a little while and then drove up Woodward Avenue and back and he said, "Wait for me," and he went in and got a bag and he said he wanted me to drive him where his wife was, and I said where and he said out at Mt. Clemens, and I drove him out there and let him out.

The COURT. You drove him to Mt. Clemens?

The WITNESS. Yes.

The COURT. I got the impression when you were up to DeSchryver's office you saw Presser just a minute. Now I understand you took him up Woodward Avenue.

The WITNESS. Yes.

The COURT. And then drove him all the way out to Mt. Clemens?

The WITNESS. I drove him to Mt. Clemens to his wife but all we talked about the Grand Jury was about that money, and that was in front of Vic DeSchryver's place in my car.

Mr. MOLL. What did he say about the money?

The WITNESS. He denied getting it. I wanted to know who gave it to him and he wouldn't tell me.

Mr. MOLL. You know he got it, don't you?

The WITNESS. I don't know he got it, Mr. Moll, but I think he got it.

Mr. MOLL. Where do you think the money went that he got?

The WITNESS. Probably went to Presser.

Mr. MOLL. And who else?

The WITNESS. I don't know, maybe Dixon got a piece of it.

Mr. MOLL. And who else?

The WITNESS. That's all.

Mr. MOLL. You think Hoffa got any?

The WITNESS. No, sir; I don't think Hoffa got any.

Mr. MOLL. You think Brennan got any?

The WITNESS. No, sir; I don't. I never got any of it either.

Mr. MOLL. You don't think Hoffa and Brennan got \$2,000 of it, do you?

The WITNESS. No, I don't; and I would stake my life on it that they didn't.

Mr. MOLL. When did you borrow the two thousand from Hoffa and Brennan?

The WITNESS. I told you along in the fall of '44, somewhere around in there.

Mr. MOLL. It wouldn't be in January '45?

The WITNESS. No, sir.

Mr. MOLL. What?

The WITNESS. January of '45?

Mr. MOLL. Yes.

The WITNESS. No; it was in '44.

Mr. MOLL. December of '44?

The WITNESS. Well, Mr. Moll, I am telling you somewhere in the fall. I don't remember the day or the month.

Mr. TRAVIS. Any notation on it anywhere?

The WITNESS. No.

Mr. MOLL. Could it have been in January of '45?

The WITNESS. No.

Mr. MOLL. Why?

The WITNESS. Because in '45, I had a bank account and I had money coming in.

Mr. MOLL. You didn't open the bank account until February of '45.

The WITNESS. Well, I don't know about that. I thought it was around that time.

Mr. MOLL. Well, I know about that.

The WITNESS. Well, I don't.

Mr. MOLL. It was about the middle of February.

The WITNESS. What are you driving at? Tell me. If I know, I will spit it out. What have you got in your mind? I don't know what you are driving at. I am telling you I know nothing of that transaction and none of them guys can say I do and tell the truth, and I wanted to know who give him that money. I found out Al Switzer give \$700 because he told me over the phone he did and I told Switzer if he wanted to go to the D. A., to go on, I didn't give a damn. He didn't accuse me of taking it but he was after Brilliant and DeSchryver. I don't know who got the money or who give him the money, if he got it.

Mr. MOLL. That's all I have.

Mr. WATSON. I think that's all for the time being.

The COURT. You may wait outside.

(Witness excused.)



## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In Re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the county of Wayne*

Proceedings had and testimony taken in the above-entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the city of Detroit, Michigan, on Tuesday, October 22nd, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Special Assistant Attorneys General; Mr. Samuel L. Travis, Special Assistant Attorney General.

Reported by: Margaret Cameron, Reporter.

HERMAN PRUJANSKY, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

Q. What is your full name?—A. Herman Prujansky.

Q. You have been previously sworn and testified before the Grand Jury?—

A. Yes; I have.

Q. You originally appeared before the Grand Jury on or about the 27th of June?—A. I refuse to answer any more questions, Mr. Moll.

Q. On what grounds?—A. On the grounds it might incriminate me.

Q. Well, that wouldn't.—A. Well, that's what it is. I refuse to answer any more questions.

Q. Well, did you, or did you not, originally appear before the Grand Jury on the 27th of June?—A. I refuse to answer any more questions, Mr. Moll.

Q. On what ground?—A. I told you my ground.

Q. On the grounds it might incriminate you?—A. Liable to. It's just as I told you before.

Q. What did you tell me?—A. I refuse to answer any more questions.

Q. Now, you are here by virtue of a Grand Jury subpoena.—A. Yes, I am.

Q. You have been sworn?—A. Yes; I have.

Q. By the Court.

Mr. TRAVIS. Previously and tonight, is that right?

The WITNESS. I refuse to answer any more questions. I don't want to answer more questions. I am entitled to my rights, am I not? Throw me in jail. I don't want to answer any more questions.

By Mr. MOLL:

Q. Do you know James R. Hoffa?—A. I refuse to answer.

Q. Did you see Mr. Hoffa on or about the 29th of October, 1945?—A. I refuse to answer.

Q. Do you know James Stewart?—A. I refuse to answer.

Q. Did you see him on or about the 29th of October 1945?—A. I refuse to answer. Please, I refuse to answer. I am not going to answer. I am not going to testify, gentlemen.

Q. Do you know Orrin DeMass? Don't be so dramatic. Do you know Orrin DeMass?

Mr. TRAVIS. Let the record show the witness refuses to answer.

Mr. MOLL. No, no. Let him refuse to answer.

By Mr. MOLL:

Q. Do you know Orrin A. DeMass?

Mr. WATSON. Make your record, Turk.

The WITNESS. I refuse to answer any questions. Throw me in jail.

By Mr. MOLL:

Q. Did you make an appointment to see Mr. Stewart at his office in the police headquarters building, on or about the 29th of October 1945?—A. Let me go home. Let me go to sleep. Let me think of this, please. Let me think this over, please.

Q. Answer my question.—A. Will you answer my question? Let me go home and go to sleep. I haven't slept in three nights. Let me think this over.

Mr. WATSON. You haven't been in custody the last three nights.

The WITNESS. No, I am tired, tired, nervous, tired. I won't answer any more questions. Believe me, I won't answer any more questions.

By Mr. MOLL:

Q. Did you make an appointment to see Mr. Stewart at his office on the 29th day of October 1945?—A. (No response.)

Q. Did you go to the office of Mr. James Stewart at police headquarters on the 29th of October 1945? Will you answer that question, please?—A. (No response.)

Q. Did you, on the 29th of October 1945, see Mr. Orrin A. DeMass? Now, will you answer my questions, please?—A. I will not.

Q. Will you answer any of the questions I put to you previously?—A. No, I will not.

Q. Will you state your reasons why you will not answer?—A. I will not answer any questions.

Q. Why?—A. It might incriminate me.

Q. Now, I will advise you, you have the constitutional right to refuse to answer any question, the answer to which you feel might tend to incriminate or degrade you.—A. I will not answer any more questions.

Mr. TRAVIS. He is giving you a statement of the law. Listen to him.

The WITNESS. I am listening. I won't answer any more questions.

By Mr. MOLL:

Q. When did you arrive back in Detroit, Mr. Prujansky?—A. (No response.)

Q. Did you arrive in Detroit this afternoon? Will you answer the question, please?

Mr. WATSON. Would you answer the question if you were granted immunity?

The WITNESS. No; I would not.

Mr. TRAVIS. Do you understand what immunity means, Mr. Prujansky?

The WITNESS. I have an idea. I am not answering any more questions.

By Mr. MOLL:

Q. Were you permitted to consult an attorney this afternoon or this evening?

Mr. TRAVIS. You certainly can answer that.

The WITNESS. I won't answer any questions.

Mr. TRAVIS. You know there was an attorney advising you this evening?

The WITNESS. I am not answering any more questions.

By Mr. MOLL:

Q. Did you have an opportunity to consult with Mr. Al May, as an attorney, this afternoon and this evening?—A. (No response.)

Q. Will you state whether or not you went out to dinner at approximately 6:25 with Mr. May, without custody of any kind? Will you answer that question?

Mr. MOLL. May the record show, your Honor, that the witness refuses to answer these questions.

The COURT. The record may show that.

Mr. TRAVIS. Were you not with this attorney out for dinner for a period of over an hour and a half before you were requested to return to the Grand Jury?

Mr. MOLL. An attorney of your own choice. May the record show, your Honor, the witness does not answer.

The COURT. It may.

Mr. WATSON. Turk, let me ask you this: No one on this Grand Jury has pushed you around in any way?

The WITNESS. No; they haven't.

Mr. WATSON. They have been gentlemanly?

The WITNESS. Yes; but don't ask me any more questions. I am not going to answer them. I am not going to answer any more questions with reference to this case—my hand to my mother.

Mr. WATSON. Have you been threatened or intimidated in any way, Turk?

The COURT. You can answer that.

The WITNESS. No, you haven't. You haven't threatened me or intimidated me in any way.

Mr. TRAVIS. Has anyone else?

The WITNESS. No. I am tired, nervous. If you let me go to sleep, in the morning when I get up, I can maybe see it. You are just trying to torture me. I am not going to let you do it.

By Mr. MOLL:

Q. Now, will you answer this question—A. I will not answer any questions, Mr. Moll.

Q. Have you had an opportunity to consult with your attorney this evening?—A. Yes, I did; but I will not answer any questions regarding this case.

Q. Were you out to dinner with this attorney?—A. Yes, I was.

Q. Were you in custody in any way?—A. No; I wasn't.

Q. Did your attorney accompany you back to the Grand Jury chambers?—A. Yes; he did.

Q. Now, is there any question you care to ask us?—A. No, sir.

Q. Any advice you care to ask any of us or the judge?—A. No, sir. I just want to go home. I am tired.

Q. Do you care to discuss the question of immunity?—A. I don't want to talk about anything. I am just tired, tired. Let me go to sleep. Perhaps I will get up in the morning and have a clear head, know what I want to do. You are not letting me.

The COURT. But Mr. Prujansky, you have only been before the Grand Jury the last fifteen minutes.

The WITNESS. I am tired, your Honor.

The COURT. But you have only been here 15 minutes.

The WITNESS. Yes, that's right.

By Mr. MOLL:

Q. Well, do I understand it is your position you refuse to answer any questions put to you of whatever nature?—A. Yes, sir.

Mr. TRAVIS. Would your position be changed in any way, Mr. Prujansky, if you were offered immunity on any question you have been asked?

The WITNESS. No, sir.

Mr. WATSON. Turk, do you feel we are your friends?

The WITNESS. Yes, I do.

Mr. WATSON. And we are trying to help you?

The WITNESS. Yes, I do.

Mr. WATSON. But you have arrived at a decision within yourself?

The WITNESS. I don't want to talk tonight. Let me talk tomorrow. Let me see how I feel. I am tired. You are just trying to pin me against the wall. I can't stand it.

By Mr. MOLL:

Q. Well, you have arrived at your conclusion not to talk after consulting with your attorney, isn't that the point?—A. I don't want to talk.

The COURT. Do you want any more questions?

Mr. MOLL. No.

The COURT. You may be excused, Mr. Prujansky.

(At 9:50 p. m. Mr. Herman Prujansky left the Grand Jury Room.)

10:30 p. m.

EUGENE C. JAMES, having been by the Court previously duly sworn, was examined and testified as follows:

Mr. MOLL. Let the record show, that pursuant to a conversation with Mr. James at the County Jail this afternoon, he has been brought before the Grand Jury at the first opportunity. He is available to the Grand Juror to answer such questions as may be put to him in an effort to purge himself of contempt.

Mr. WATSON. Is there anything you want to clear up, Jimmy?

The COURT. The witness is still under oath.

Examination by Mr. MOLL:

Q. Let me ask you this: Is there any question in your mind as to what records the Grand Jury may have taken on subpoena?—A. Pardon?

Q. Is there any question in your mind as to what records, if any, the Grand Jury took from your office?—A. Well, there isn't right now at this particular time, but there was a time I was a little doubtful, but I found out through my own knowledge, where the records were; that the Grand Jury didn't have them.

Q. You feel you have a proper receipt, personally or in your office, for records which the Grand Jury may have taken under subpoena?—A. Yes, sir.

Q. Now, would you care to say anything in connection with the \$2,000 check that you were shown in connection with your previous testimony?—A. No, sir; that is the fact on that.

Mr. TRAVIS. Is that the check made out to Brilliant?

Mr. MOLL. To Brilliant.

The WITNESS. That's the straightforward fact, I claim.

Mr. WATSON. You have no opportunity to call upon those funds?

The WITNESS. No, sir; I didn't need them.

Mr. WATSON. You had made arrangements to make them available if and when you needed them?

The WITNESS. That's right.

Mr. WATSON. But it so happened you didn't need to call upon that?

The WITNESS. That's right.

By Mr. MOLL:

Q. So far as you know, this check was issued to Brilliant, pursuant to a conversation you had had with Brilliant?—A. Yes, sir.

Q. Prior to the issuance of the check?—A. That's correct.

Q. In which conversation you informed him that the money might be necessary for union purposes?—A. That's right.

Q. Is that correct?—A. That's correct.

Q. As I understand it, you called on him for an advance of this money to meet certain situations that might arise in connection with the union or the encroachment on your own local?—A. That's right. That's correct.

Q. Now, was this money or any part of it ever paid to you?—A. Not a nickel of it.

Q. Now, what is your story with reference to the \$500 check that bears your endorsement?—A. Well, that was—that check was a check that Joe Brilliant brought up to Vichor DeSchryver and myself about a defense fund for Harry Fleisher to pay attorneys, and that was a fellow Joe knew some way. I don't know how more so than he did know him. He asked me about this. I told him I thought it was all right and so did Vic, and the check was given for that purpose, to pay lawyers for Harry Fleisher.

Mr. TRAVIS. Why did he have to ask you about it?

The WITNESS. He didn't necessarily have to ask me. We were talking about it at lunch in Webster Hall.

Mr. WATSON. You cashed the check?

The WITNESS. Yes, sir.

Mr. WATSON. Gave Brilliant the money?

The WITNESS. Yes, sir.

Mr. WATSON. And it is your understanding Brilliant gave Harry Fleisher or his lawyer the money for a hold-up case out in Pontiac?

The WITNESS. That's right.

The COURT. How about that \$2,000 check?

The WITNESS. Which, Judge?

Mr. TRAVIS. He just told us about that.

Mr. WATSON. Mr. James, did you ever admonish Mr. Presser to forget that you and he had ever been in Mr. Hoffa's office?

The WITNESS. No, sir, I did not.

Mr. WATSON. Have you ever been in Mr. Hoffa's office with Mr. Presser?

The WITNESS. Never in my life.

Mr. WATSON. Did you and Mr. Presser at any time ever talk to Mr. Hoffa?

The WITNESS. No, sir, we didn't.

Mr. WATSON. That's over all the years?

The WITNESS. All the years, yes, sir.

Mr. WATSON. Did you and Mr. Presser ever talk to Mr. Brilliant?

The WITNESS. No, sir.

Mr. WATSON. Did you and Mr. Presser ever talk to any official or business agent of the Teamsters Union?

The WITNESS. Never.

By Mr. MOLL:

Q. How did you get interested in this charter for your local?—A. Well, it starts back quite a ways—I don't remember the date—but they had had several local unions here, and they never had been successful because they were run for selfish interests, for the betterment of a few individuals, and Mr. Martel and I was talking once about it, and he went to Bill Green and George Meady, and it was agreed we would set it up and set it up right. That's the first idea I had on it. Then, later on, after I had a few members, I became acquainted with Vic, Joe and the whole bunch.

Q. By whom were you approached in the first instance?—A. Sir?

Q. By whom were you approached in the first instance?—A. Well, I approached them, Mr. Moll. I approached them to organize people in the old association, before the new one was formed.

Mr. WATSON. I think Mr. Moll is referring to the conversation you just mentioned between you and Mr. Moll. Did he bring it up, or you?

The WITNESS. No; at that time, they had a charter; they was in debt, didn't pay their phone bills, run it as a racket, and Mr. Martel said he was interested in cleaning it up.

Mr. WATSON. Did you raise the point, or did Mr. Martel come to you and ask you if you would be willing to get your teeth in the situation?

The WITNESS. Well, he approached me on it, but I didn't know anything about it at the time.

By Mr. MOLL:

Q. When was that he first talked to you?—A. Quite some time ago, Mr. Moll. I don't remember—long before this association was formed.

Q. How long before?—A. I would say two years, three years.

Q. When did you actually get your charter?—A. About 18 months ago, something like that.

Mr. TRAVIS. Is Presser acquainted with Martel?

The WITNESS. No, I don't think he knows him at all, not to my knowledge. If he does, I don't know about it.

Mr. TRAVIS. How about Dixon?

The WITNESS. He doesn't either.

The COURT. Are Martel and Hoffa friends or is there a strained relation there?

The WITNESS. Well, I don't think there is a very warm relation between them.

Mr. TRAVIS. Does Presser know Ed Barnard, the attorney?

The WITNESS. No, sir; not to my knowledge.

Mr. TRAVIS. Does Dixon know him?

The WITNESS. No, sir.

By Mr. MOLL:

Q. In the event you should be released by the Court, or your sentence commuted, would you be available as a witness at any time?—A. At any time you call on me.

Q. Where is your family now?—A. Living over at her mother's, over in East Detroit, but I go back home if I am turned loose.

Q. Where?—A. 43905 West Six Mile.

Q. What is your phone?—A. Northville 765.

Mr. WATSON. And you will be at your office?

The WITNESS. I have even forgot the phone number. Randolph 2194.

Mr. WATSON. You mentioned earlier there were two existing copies of your constitution and you would be willing to send one in, bring one in to the Grand Jury?

The WITNESS. Any time you want them.

The COURT. You did draw \$2,000 from your own local?

The WITNESS. Yes, sir.

The COURT. Cashed it and put the funds in your bank account?

The WITNESS. No, sir.

The COURT. What did you do with that?

The WITNESS. Cash on hand. We have got it—cash on hand.

The COURT. In the local's funds, cash on hand?

The WITNESS. Yes, sir.

The COURT. You were going to use that for some contemplated resistance to the opposition?

The WITNESS. That's correct.

The COURT. That's a different \$2,000 than the one you spoke of a while ago?

The WITNESS. Yes.

The COURT. That's not the Brilliant?

The WITNESS. No; that's the local's money—the local's money to put on massed picketing.

The COURT. That's still on hand?

The WITNESS. Yes.

The COURT. You never did get \$2,000 from either Hoffa or Brennan before or after you organized the local?

The WITNESS. Yes, sir.

The COURT. What?

The WITNESS. Yes, sir.

The COURT. I say, you never did get it?

The WITNESS. I say yes, sir; I did get it.

The COURT. I thought you told Judge Moll you never did get that money.

Mr. MOLL. No; that was the \$2,000 that they made available to Brilliant from the association.

Mr. WATSON. A late transaction, Judge.

The COURT. As I understand you now, and what you testified before, Hoffa and Brennan did give you \$1,000 apiece?

The WITNESS. That's right.

The COURT. In the early days of the organization of the local?

The WITNESS. That's right.

The COURT. You returned that by putting their respective wives on the payroll?

The WITNESS. That's correct.

The COURT. And kept them on till about the time of this Grand Jury?

The WITNESS. Some months ago.

Mr. WATSON. Judge, I recommend and move this Court the unexpired portion of Mr. James' sixty-day sentence be commuted.

Mr. TRAVIS. I would go along with that.

The COURT. Have you any objection, Judge Moll?

Mr. MOLL. No, I'll go for that. Just off the record.

(Discussion off the record.)

Mr. MOLL. I will move James' sentence be commuted, if the Court please. I think he's paid the penalty for his previous contempt.

Mr. WATSON. I am in agreement with that.

Mr. MOLL. You second the motion, Mr. James?

The WITNESS. I do.

The COURT. Well, in view of the fact that Mr. James has served about forty days, more or less, on the previous contempt order, and it appearing to the Court that he has made a strong effort to purge himself from the contempt heretofore committed, an order may be entered commuting the sentence, so that it will terminate as of this date, and he is hereby released from custody.

(Witness excused.)

---

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

*In Re: Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury Investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken in the above-entitled matter before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Monday, November 11th, 1946.

Present: Mr. Lester S. Moll, Mr. Harrison T. Watson, Mr. Samuel L. Travis, Special Assistant Attorneys General.

Reported by: Margaret Cameron, Reporter.

2:45 p. m.

WILLIAM E. BUFALINO, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. WATSON:

Q. Your full name is William E. Bufalino?—A. That's right, sir.

Q. Where do you reside, sir?—A. 12353 Wilshire, Detroit 5, Michigan.

Q. How long have you lived in Michigan?—A. Well—

Q. With the exception of your military service?—A. See, I was stationed here. I was married here on the 28th of April 1945, see, and I was living off the base—from that time on.

Q. Previous to coming here first, upon military service, and later as making it your permanent residence, in what state did you reside?—A. Pennsylvania.

Q. Pennsylvania. What is your business, Mr. Bufalino?—A. I am the president of the Bilvin Distributing Company, the exclusive distributors for Wurlitzer Automatic Phonographs for the state of Michigan, the lower peninsula.

Q. Is that a Michigan corporation?—A. Yes, sir.

Q. When was it formed?—A. That was formed on the 12th of February, 1946.

Q. What is the capital structure of Bilvin Distributing Company?—A. The capital structure?

Q. The capital structure, yes.—A. See, it was—I think it was capitalized at \$65,000, if I am not mistaken, but—if that's the answer you want.

Q. Yes. \$65,000 authorized common stock?—A. That's right, sir.

Q. And who were some of the other incorporators besides yourself?—A. There were three incorporators, Sammy Tocco, John Priziola, and myself.

Q. Did you take over, at Bilvin Distributing Company, an organization that had been in existence?—A. We bought the organization, which was in existence.

Q. And what had that previous organization been known as?—A. Martin Distributing Company.

Q. Was that a corporation or a partnership?—A. I am almost positive it was a partnership.

Q. From whom did you buy? In other words, who were the owners of Martin Distributing Company?—A. Martin Balensiefer and William Bye—Bill Bye from Philadelphia.

Q. Previous to the time this corporation was granted a franchise from Wurlitzer, had a franchise existed and been held by Martin Distributing?—A. Yes, sir.

Q. Where is the headquarters or place of business of your corporation?—A. 1911 First Street, Detroit 26.

Q. Now, what is, just in general nature, the type of business, conducted by Bilvin Distributing?—A. We buy and sell automatic phonographs. We buy them from Wurlitzer, that is, the new ones, and we buy the used ones from phonograph operators.

Q. Do you distribute any other type of or make of coin-operated phonographs?—A. No, sir.

Q. This is an exclusive representation of a manufacturer?—A. That's right.

Q. How long previously, if you know, had Martin Distributing had a representation or a franchise with Wurlitzer?—A. I think it's about two years; I wouldn't know.

Q. Now, what is the method of your operation, just in your own words, Mr. Bufalino? How do you get your business? Do you have salesmen?—A. Through salesmen; yes, sir.

Q. How many?—A. Two—two are outstate and two are in the city.

Q. You say you have the entire lower peninsula?—A. Yes, sir. Outstate we have, towards the thumb and Saginaw, and all the way up to Petoskey, we have a Mr. Parker, and then around Grand Rapids and Muskegon, we have Fred Zimmerman.

Mr. MOLL. Who are your local salesmen?

The WITNESS. We have John Priziola and my uncle, Angelo Meli, in the city and all of Wayne County.

By Mr. WATSON:

Q. This product that you distribute is a regular coin-operated phonograph machine that plays records at various restaurants and bars, and places of amusement; is that correct?—A. That's correct, sir.

Q. They are machines on which it requires continuous servicing in reference to replacement of records and to keep the machines operated?—A. That's right.

Q. How do you sell those machines? To whom do you sell those machines?—A. To the different operators. See, a man gets into the business, he's got phonographs that he puts on a location on a profit-sharing basis. Those are the people interested in buying the machines.

Q. All right. Your answer, then, would be you sell them to operators?—A. That's right, sir.

Q. Do you sell any to individual owners of restaurants or bars?—A. No, sir.

Q. Is that by virtue of your contract or understanding with Wurlitzer or a policy of your own?—A. Our policy.

Q. What is there about the method of operation that you pursue that makes it more advantageous, if it does, than a direct sale to the owner of the spot in which you place the machine?—A. In my opinion, it's bad for the business. They try to drain the machine as much as they can. The machine is down most of the time because of the fact the owner doesn't know how to repair them, they don't have any up-to-date tunes, keep a record on till it wears down to the bottom.

Q. It would be bad for the business to sell direct to the owner?—A. Bad for the industry as a whole.

Q. Doesn't it follow the restaurant or bar who has a machine would be able to purchase or enter into some servicing arrangement to keep the thing supplied with your records?—A. That's right. If they had something like that, I would have no objection.

Q. As it is, you sell direct to operators?—A. They are approved music merchants.

Q. What?—A. Factory-approved music merchants—act similar to a dealer in phonographs.

The COURT. What do you mean by that?

By Mr. WATSON:

Q. The Judge wants to know what you mean by "factory-approved."—A. A man comes in and wants to buy phonographs. They will put their order in with us and in this business people have been known to owe the factory ten or fifteen thousand dollars or finance companies money, and the factory knows the different operators, so we have to take this order and turn it in to the factory, and if the factory approves their order, they get a certificate being a factory-approved music merchant.

The COURT. Supposing a customer came in with a cash transaction, wanted to buy a machine from you, would you still have to get consent of the factory?

The WITNESS. Yes, sir.

The COURT. No machine can be sold by you unless it is first approved by the factory?

The WITNESS. That's right.

The COURT. Whether it is sold on time or sold for cash?

The WITNESS. That's right.

The COURT. I understand you do sell on time to some people?

The WITNESS. Yes, sir.

The COURT. And the contract, where a machine is sold by you to a customer on time, does the contract run between you and the customer or between Wurlitzer Company itself and the customer, and you are just the collecting agency?

The WITNESS. No, sir. When it is sold on time, the party comes up with 25% of the purchase price and the 75% they sign a note and chattel mortgage.

Mr. WATSON. That runs to whom?

The COURT. Where is title to that machine while the contract is running? Is it in your concern or a title in the Wurlitzer Company?

The WITNESS. That's transferred to the Coin Machine Acceptance Corporation, which is the finance company.

By Mr. WATSON:

Q. Now, who operates that Coin Machine Acceptance Company?—A. I couldn't really—I could tell you the officers.

Q. Is it a subsidiary of Wurlitzer?—A. No, sir.

The COURT. Where is the company located?

The WITNESS. Chicago.

The COURT. The Acceptance Company is in Chicago?

The WITNESS. Yes, sir.

The COURT. They handle the paper?

The WITNESS. Yes, sir.

By Mr. WATSON:

Q. Do they handle paper for other makes, as well as Wurlitzer?—A. For other makes and for coal companies and things like that.

Q. They are in the general finance business?—A. That's right.

Q. Discounting commercial paper?—A. That's right.

Mr. MOLL. May I interrupt just a minute? When you get machines from Wurlitzer, do you buy them outright?

The WITNESS. Buy them—at first we started as such, but we buy them now on the floor plan, which is financing.

Mr. MOLL. Is that a chattel mortgage or conditional sale?

The WITNESS. It is conditional sales.

The COURT. Where is the finance company you deal with?

The WITNESS. North Tonawanda, Buffalo.

The COURT. Who is the manager, head?

The WITNESS. There's quite a few. Mike Hamegren, who is vice president, then Edward Wurgler, who is director of sales.

The COURT. Hamegren, he is the dominant factor?



The WITNESS. He is vice president running the organization. Then, we have a regional manager, Mr. Larry Cooper. Actually, our problems are brought to Mr. Cooper. He's the regional manager for this area.

The COURT. When you buy these machines, you buy them from the company at North Tonawanda and they are shipped here?

The WITNESS. That's right, sir; but we sign a trust receipt and notes. That's the way we get them—trust receipt and a note.

The COURT. If anybody wants one of those machines in the lower part of Michigan, the lower peninsula, they have got to do business with your company?

The WITNESS. That's right.

The COURT. And they cannot do business with any other company?

The WITNESS. That's right, sir.

The COURT. On a new machine?

The WITNESS. That's right.

The COURT. Second-hand machines, used machines, do you control them, too?

The WITNESS. We buy and sell them.

The COURT. But I mean, if a customer wanted to buy a second-hand machine from somebody else, who had it, could he do it without going through you?

The WITNESS. That's right.

The COURT. Or do you control that?

The WITNESS. No, sir.

By Mr. WATSON:

Q. You have been kind enough to supply us with a copy of your distributor's agreement.

(Thereupon, a document was marked "Grand Jury Exhibit 111," by the Reporter.)

By Mr. WATSON:

Q. I show you Grand Jury Exhibit 111 and ask you if that is the distributor's agreement you produced in response to the subpoena duces tecum?—A. That's right, sir.

Q. That's signed by you on behalf of Bilvin Distributing Company?—A. And by Mr. Carlson, Roy W. Carlson.

Q. Assistant secretary of Rudolph Wurlitzer Company, correct?—A. That's right, sir.

Q. I note under the terms of this agreement, and particularly in paragraph 2, it is provided that—

"On orders received from distributor, Wurlitzer will sell and ship phonographs to distributors, f. o. b. North Tonawanda, New York, in accordance with the price list and schedule of terms issued and/or published by Wurlitzer from time to time. Said terms and prices are subject to change by Wurlitzer at any time. Wurlitzer reserves the right to accept or decline, in whole or in part, any particular order or orders, and to cancel, in whole or in part, from time to time, any orders which may have been accepted."

That is correct, is it not?—A. Yes.

Q. Now, is that pursuant to information that you gave us earlier that they remain in the position where they can approve as to credit or the reputability of the proposed purchaser?—A. Well, here's something now. That's what they're doing. As for this—where is that that you read?

Q. Paragraph 2, it is.—A. Right there. Sure, that's exactly what I had mentioned that notwithstanding the fact that we may accept an order, we have got to forward that to the factory for final approval. After such time, they issue a certificate.

Q. Well, now, do you keep much of a stock of machines down here on First Street?—A. Yes, sir. As they come in we fill them, that's all.

Q. But in no case do you sell machines off the floor until after the proposed order has been forwarded to headquarters of the company, and approved?—A. Yes.

Q. And that would be true supposing the proposed purchase were strictly on a cash basis?—A. That's right.

Q. Now, are there certain dealers, concerns, for whom the company will not approve purchases?—A. No, sir. You mean Bilvin Distributing Company will not approve purchases?

Q. No; I mean Wurlitzer Company.—A. No. Thus far there has been, to the best of my knowledge, no disapproval by the Wurlitzer Factory at all.

Q. Every order, as I understand it, that has ever been written by you, has been filled and shipped?—A. Definitely. Excuse me—not filled and shipped—approved by Wurlitzer and we have phonographs right now to deliver.

Q. You can deliver from your stock on hand?—A. That's right. We just keep filling up the orders.

Mr. MOLL. In other words, they have never turned you down on a prospective purchaser?

The WITNESS. That's right, sir.

Mr. MOLL. By reason of the terms of the deal or anything else?

The WITNESS. It is an actual form order. Maybe our office manager ought to bring one of the forms. If you are going to call him over, maybe he ought to bring a form order to clarify it.

By Mr. WATSON:

Q. Do you use the same form order in connection with time sales as you do with cash purchases?—A. Yes, sir.

Q. And that's a form of contract between the purchaser and the manufacturer through you as distributor?—A. That's right. There's a space on the lower left-hand corner for their approval. It's between us and the prospective purchaser.

Q. I wonder if it would be too much trouble to call somebody from your office and see if they would send over a couple of those sample forms?—A. Surely.

(Witness calls his office.)

Mr. MOLL. Let's assume you buy a machine from Wurlitzer on a trustee receipt or floor plan. Who retains title on that?

The WITNESS. Coin Machine Acceptance Corporation.

Mr. MOLL. Well, is it a title-retaining contract or is it a chattel mortgage?

The WITNESS. I believe it's a title-retaining contract, that they retain the title.

The COURT. Let me put a question. When you buy the machine and it's bought on time by the customer, then any money that the Wurlitzer Company is going to get out of the machine, they get it then, and the paper is held by the Chicago Acceptance Company, and they look to get out of it from the payments as they come in. When the notes are paid ultimately, the title is given by the acceptance corporation?

The WITNESS. I don't think that's clear. Wurlitzer gets their money before.

The COURT. Let me get off the record.

(Discussion off the record.)

The WITNESS. Well, here's what happens. I sign a note, a group of notes and trust receipts, which I have to send to the Wurlitzer plant immediately. Say they want to send me fifty machines. They notify the Coin Machine Acceptance Corporation that fifty machines are en route to Bill Bufalino or Bilvin Distributing Company. They fill out this note and trust receipts and forward them to Coin Machine Acceptance Corporation. There's a place on that same note and trust receipt where I have to sign, but the moment those machines leave North Tonawanda to here, they have got their money. Wurlitzer has their money for their machines. Then I owe Coin Machine Acceptance Corporation for that machine. That's their machine.

Mr. MOLL. Let me stop you there. Does the title pass as between Wurlitzer and you on that transaction, subject to a mortgage to the Discount Company, or does the Wurlitzer retain title?

The WITNESS. Title passes.

Mr. MOLL. Title passes?

The WITNESS. Yes, sir.

Mr. MOLL. So what you do, in effect, is give a chattel mortgage with your note to the Discount Company.

Mr. WATSON. Or does the purchaser give the note and mortgage, and you are liable on it as an endorser?

The WITNESS. We are going a little—now, we have a further—the next step we have got there—

The COURT. See if I understand you, Mr. Bufalino, just before Judge Moll asks you a question. When you buy the machines or put an order in to Wurlitzer Company for the machines, the Wurlitzer Company contacts the Acceptance Corporation in Chicago, and I take it that the Acceptance Corporation in Chicago pays any moneys that's coming to the Wurlitzer Company, pays that direct to the Wurlitzer.

The WITNESS. That's correct, sir.

The COURT. So the Wurlitzer Company passes out of the picture; the machines are now held by the Acceptance Corporation, and then you sign up with the Acceptance Corporation, is that it?

The WITNESS. That's right, sir.

The COURT. And the first moneys that you pay as a down payment by yourself is paid to the Acceptance Corporation?

The WITNESS. I don't pay a down payment.

The COURT. You don't?

The WITNESS. No, sir. The way the Acceptance Corporation gets their money is that a customer buys that one machine. Now, the machine is in my store. Actually it belongs to Coin Machine Acceptance Corporation. See, they put out in round figures, \$600 for that machine. We make a note and trust receipt, in round figures—no, make out a chattel mortgage for \$900 to the customer. He pays \$225 in round figures. That's 25% of the whole transaction.

The COURT. Yes.

The WITNESS. Pays that 25% down.

The COURT. Pays that to you?

The WITNESS. That's right.

The COURT. All right.

The WITNESS. Pays that to us and signs a chattel mortgage.

Mr. MOLL. Assumes your paper.

The WITNESS. That's right, and we forward it to Coin Machine Acceptance Corporation. Now, they still have an investment of, say, \$600. They might send us back \$75 or \$100—take their money they have coming and send us back the difference. They take their money plus interest.

Mr. MOLL. We will find out, when the papers come over, what the transaction is.

The WITNESS. I tell you one thing, Mr. Swartzenberg, our office manager, knows more about that than I do. He's office manager and knows all that stuff. He is a pretty good boy. I sign all those papers, and I am sure it's that way.

The COURT. Well, the money that the customer pays in to you as down payment of 25%, do you keep that money?

The WITNESS. Towards the payment of that machine: yes, sir.

The COURT. Well, do you keep it or disburse part of it to Coin Machine Acceptance Corporation?

The WITNESS. No, we keep it.

The COURT. In other words, is that your profit?

The WITNESS. About our profit, that plus a few dollars more.

The COURT. That's your money?

The WITNESS. That's right, sir.

The COURT. Twenty-five percent paid down by the customer is your money?

The WITNESS. That's right.

The COURT. Plus a little bit more.

The WITNESS. That's right, sir.

The COURT. And the notes the customer signs are payable to the Coin Machine Acceptance Corporation, and that's where their investment is?

The WITNESS. That's right. The customer makes a direct payment to Coin Machine Acceptance Corporation, and we take a contingent liability. We are guarantors or security. If they don't pay, we pay.

By Mr. WATSON :

Q. In effect, Mr. Bufalino, when they sign the mortgage and the notes, the purchasers, they go on and take the place of your floor plan, mortgage, and notes. They are substituted for your obligation held by the Coin Machine?—A. That's right, sir.

Q. And as they might exceed the amount of your indebtedness, there's some rebate that comes back to you?—A. That's right.

Q. All right. Now, then, getting back to the method of operation, previous to an opportunity to look over your form of contract—well, withdraw that question. Is there anything that you can tell us informally about the form of arrangement that the distributors, who buy your product, enter into with reference to whether or not they can purchase other makes of automatic phonographs?—A. No, sir—what do you mean?

Q. Well, now, an operator who buys new Wurlitzer machines?—A. Yes.

Q. Does he have to agree or contract that he will buy only Wurlitzer makes from then on?—A. No, sir.

Q. There is no such—A. No such contract or agreement.

Q. Either formal or informal?—A. Well, here, the distributor—there's a couple of things in the Wurlitzer plan that the distributor suggests, that an operator replace 25% of his used equipment a year, or that he deal exclusively in Wurlitzer

Automatic Phonographs for the current year, but there is no agreement, no contract, and there are a lot of advantages to it, and we point those out during the signing up of a Wurlitzer approved music machine. The fact that the only thing—well, their service men will have to know how to fix but one machine, and a service man who is familiar with one machine, and only one, gets into very little trouble in his repairing. There's a multitude of advantages to handling only one.

Q. That's an informal arrangement that you attempt as distributor, to put over with these people?—A. That's right.

The COURT. Is there anything in writing with those people?

The WITNESS. No.

The COURT. Take, for example, a case where a customer comes in and he has four or five or ten machines manufactured by some other corporation, other than Wurlitzer, and he wants to buy a Wurlitzer machine from you. As I understand it, you first get the approval of the Wurlitzer Company at North Tonawanda.

The WITNESS. That's right.

The COURT. And would that customer get the approval to purchase that machine from the Wurlitzer Company, if he had other makes in his place of business?

The WITNESS. Yes. See, there's no way that the—to the best of my knowledge, there's nothing in the information passed on to the Wurlitzer people denoting or indicating that he has other makes.

The COURT. In other words, as I understand, if a man comes into your place to buy a new Wurlitzer machine, regardless of what other machines he may own and operate, you would pass that man's offer to buy, to the Wurlitzer?

The WITNESS. That's right, sir.

The COURT. And the Wurlitzer Company, provided his credit is good, approves it?

The WITNESS. That's right.

The COURT. And does the Wurlitzer Company disapprove the sale to this man for any other reason than poor credit?

The WITNESS. That I really, sir, I don't know.

The COURT. As far as you know?

The WITNESS. I don't know. They have never disapproved one yet, nothing.

The COURT. Go ahead.

By Mr. WATSON:

Q. Now, this informal arrangement you discuss, is that a policy of the Wurlitzer Company that they attempt to have you encourage?—A. Yes.

Q. Is it a policy that's pursued, as far as you know, uniformly through all their other distributors?—A. That's right.

Q. I am an operator, by way of example, and I am desirous of buying new Wurlitzer machines. In applying to you, you are going to attempt to convince me of the wisdom of agreeing to replace at least 25% of my machines annually; correct?—A. That's right, sir.

Q. In other words, you figure the life of a new machine at approximately four years, and you are also going to attempt to get me to agree that I will purchase only Wurlitzers.—A. It won't be an agreement. A lot of them come in and say, "Give me a Wurlitzer, I know it's the best machine on the market, and I will do anything." There's no agreement to it. They want Wurlitzers.

The COURT. As far as I understand it, it is just a sales talk on your part?

The WITNESS. That's right.

The COURT. Not a part of the contract?

The WITNESS. No, sir.

By Mr. WATSON:

Q. Supposing, Mr. Bufalino, as an operator, I say, "No; I am not going to commit myself or even agree informally to do that, but right now I have money in cash to buy ten new machines, and I am not inclined to commit myself as to what kind of machines I will buy in the future or replace them every four years." Will you still sell me the ten machines?—A. Depending on the circumstances, I think we would. To tell you the truth, there is another case where everybody wants Wurlitzers.

Q. I think you are acknowledged you have the best machine in the business?—A. It's like the Cadillac car.

Q. Yes; but assuming that I want them, are you going to, or have you had any instances in the past, where you have refused to sell any operator desiring

to buy Wurlitzers, who won't commit himself to this replacement program, and to the purchase only of Wurlitzer equipment?—A. No, sir.

Q. You haven't turned anyone down on that score?—A. No, sir.

Q. Is there any transmission of advice in connection with any proposed contract that when you send the thing on, the contract on, or the order on the Wurlitzer, that you advise them whether or not the person applying will agree to the program you have mentioned?—A. There is actually—there is no agreement. We sell them. There is the thing. I have got them for sale. I have quite a few in the store right now for sale.

The COURT. Let me put this question: Could you say offhand what customer or customers, who have the new Wurlitzers, that have quite a number of machines, like ten, fifty, or one hundred?

The WITNESS. I didn't get the question, sir.

The COURT. Have you got any customers that have got a large number of Wurlitzer machines?

The WITNESS. Yes, sir.

The COURT. Who, for example? What's the name of one of them?

The WITNESS. Ten, fifty, or one hundred.

The COURT. Any large number?

The WITNESS. Well, we have got John Snider, of Flint, Michigan.

The COURT. How many has he got?

The WITNESS. I would say around 100.

The COURT. 100 new Wurlitzers?

The WITNESS. Oh, no.

The COURT. Or 100 Wurlitzers?

The WITNESS. 100 phonographs.

The COURT. Are they all Wurlitzers?

The WITNESS. No. That I don't know. I could bring the records to that, as to how many new Wurlitzers we sold and to who we sold them. He has got all that.

By MR. WATSON:

Q. Well, have you any customers who are buying new Wurlitzer equipment from you, and who currently are buying new equipment from other manufacturers?—A. Yes, sir.

Q. Can you name some of those?—A. There's a fellow by the name of Jake Visser, in Lansing.

The COURT. In Detroit?

The WITNESS. No, sir, in Lansing, and our salesman would know.

The COURT. Take some in Detroit, metropolitan Detroit.

The WITNESS. I don't think I can name any.

The COURT. Is there?

The WITNESS. There are some that have them. See, they are continuously buying them, having them on location, having new Rock-olas and new Seeburgs on their location, on their route, at the present time.

The COURT. Are there any such customers that you know of, or any people that you know of, that have got quite a number of different makes of machines other than Wurlitzer, other than a new Wurlitzer?

The WITNESS. No, sir.

The COURT. That have come into your place of business to buy a new Wurlitzer and there's been any pressure put on them, one way or the other, that they should or should not buy one of them?

The WITNESS. No, sir. The reason why they probably don't have them is these other makes are not distributing, not manufacturing. Aero does a lot of advertising and is not distributing, A. M. L. Ball, all these companies.

The COURT. Suppose a man had 15, 20, 25 machines, of various makes, and he came in and he attempted to buy one of the new Wurlitzers, would he run into any difficulty if he bought one of those new Wurlitzers and put it in his place of business, in regards to having it serviced or in just having it there, mixed up with other types of manufacturers' music boxes.

The WITNESS. Difficulty from the union, or difficulty from—

The COURT. Well, we will say, to start with, any difficulty?

The WITNESS. Yes, sir; he would have difficulty.

The COURT. What would be the difficulty, from what source?

The WITNESS. The union would not permit the service men to service that Wurlitzer machine.

Mr. MOLL. Why not?

THE WITNESS. Because of the fact that the union resolved to put Bilvin Distributing Company out of business, that we were selling to nonunion labor, we were selling machines to operators of phonographs who were not in the union.

THE COURT. And so, therefore, if such a customer bought a new Wurlitzer, he couldn't have that serviced by union labor?

THE WITNESS. That's right.

THE COURT. That would be his first obstacle?

THE WITNESS. That's the one obstacle that the operator would have.

THE COURT. So, in other words, the union wouldn't allow its members to service that new Wurlitzer?

THE WITNESS. That's right.

THE COURT. And why would that be?

THE WITNESS. Because—

THE COURT. In other words, here's a man, take, for example, he has ten machines of various makes, and the union, through its members, is servicing those ten machines.

THE WITNESS. That's right.

THE COURT. Now, the man gets to a point he figures that the Wurlitzer machine appeals to him, and so he buys—he comes to you, makes an offer to buy a new Wurlitzer; you send his name forward to North Tonawanda; they approve a sale by your concern to this man; the machine comes on or is on the floor at your place and you make a deal with him. He buys the machine like any other customer, 25 percent down, signs the notes or whatever other instrument he is supposed to sign, and they ship this machine out to him.

AS I UNDERSTAND your testimony, the union will not service that machine.

THE WITNESS. That's right, sir, unless he—no, they won't service it.

THE COURT. And yet he has ten machines the union is already servicing.

THE WITNESS. The Wurlitzer machine will not be serviced, that's right, the brand new Wurlitzer machine from a certain date on.

THE COURT. Why is that?

THE WITNESS. Because the union wanted Bilvin Distributing Company to first ask the man if he is in the union. He's got to put that machine where either there is no machine at all, but he cannot go and solicit the location of his phonographs where there is another union man in there, even though he can give better terms and a new machine, a '46 machine, while there is probably a 1940 or '39 machine there. Even those terms, 60-40, the operator gets 60 percent and the service company gets forty—probably the total amount the machine takes in is fifty-five or sixty dollars—half of which would be twenty-five dollars or thirty dollars, which would be enough to support a payment, a service man servicing the machine, still the man with the new Wurlitzer could not go over and solicit that location.

THE COURT. Why?

THE WITNESS. Because the union wouldn't permit it. The union would—Jimmy James one time, right at the beginning when we first took over—I know one instance in particular where the man had but one machine, Tom Parker from Mount Clemens, he just wanted—he had plenty of money and wanted to get in the phonograph business. He put in an order. He had it in with Martin Balensiefer, Martin Distributing Company. He definitely wanted to stay in the phonograph business. The first machine we delivered to him, he had no others; he doesn't know how to repair them; he would have to have somebody to repair it or fool around with it himself. It doesn't take service man or collector. So the man did go over to solicit a location. The man did have a location. He put his phonograph in with the consent of the location owner, a better phonograph, better terms on the location. So probably March or April, Mr. James, the union agent, called me on the telephone and says, "You sold a machine to Tom Parker." I said, "Did I? My office manager handles it." He just picked up the phone and started to yell: "What's wrong about that?" "Well, he put that in a union location and he doesn't belong to the union, and one thing, you better do, tell him to get it out of there, or I will put the place out of business, stop their supplies." He said, "In order to avoid a lot of trouble you had better tell him to get it out of there." There were several telephone calls I got of that nature, that I can't sell to him.

THE COURT. Well, supposing Parker—couldn't Parker join the union?

THE WITNESS. I don't—in my opinion, yes.

THE COURT. What would Parker have to do to leave that machine in that place?

THE WITNESS. He couldn't do a thing. He has to pull it out.

By Mr. WATSON:

Q. Did he?—A. I never ever called Parker. Sure, he left it there. I don't know—I think he did. So far as I was concerned, he could leave it there. See, what they continue to do, is send union agents, stop your milk, stop your coca-cola, ice cream, beer, and people ultimately, would say, "Look, my business is more important than an old phonograph. Give me that old box again."

Q. Who services the Wurlitzer machines?—A. Our servicemen—every operator has his own serviceman.

Q. Take a fellow that operates 100 machines.—A. They service their own.

Q. He probably has a crew of two or three servicemen.—A. That's right.

Q. Now, if the service people working for this operator don't happen to belong to the union, is there any union interference with the operation?—A. Definitely. They are all picketed. In other words, let me give you an example. A man come back from the army. Under the reemployment act, and under the GI bill of rights, a man will have to be reemployed and get his seniority rights back. Now, that man, to the best of my knowledge, doesn't have to join the union. He has a right to come back to work as a serviceman, and that man can't be out. He better join the union—got to join the union. If not, first thing the operator knows, he gets a notice from Mr. James he is hiring nonunion help, or he has to meet a board to see whether he is going to stay in the union or not, and you have this board decide the man is going to be fined two or three hundred dollars, and join. It makes it very unfavorable. Ultimately the man is thrown out. It is put into such a position, the man is thrown out of the union and the union sends a list of all the locations of that operator to every one of their men, to every other union man in good standing—go ahead, take his spots, he is no longer in the union. If they can't take them, they will help them.

Q. That practice is known as raiding locations?—A. Yes, sir.

The COURT. Let me get that picture. That isn't quite clear to me. There are places where these machines are put into, a tavern keeper may have one, a hotel may have one, a beer garden may have a machine. Those places where the machines are, I understand they are called locations or spots.

The WITNESS. That's right, sir.

The COURT. The people that own these spots do not own machines.

The WITNESS. That's right.

The COURT. The machines are owned by an operator?

The WITNESS. Right.

The COURT. The operator buys the machine either from your company, a new Wurlitzer, or he buys the machine from another distributor of a different type of jukebox. Now, if the tavern keeper has union help, bartender or other help, and he has machines in there other than a new Wurlitzer, those machines are serviced by union men, as I understand it, and do I understand that Jimmy James, the head of the union, objects to having a new Wurlitzer in that spot, that's serviced by his union men?

The WITNESS. That's right.

The COURT. So if a fellow that owns a tavern, and he has two or three other jukeboxes in there, and he wants to buy a new Wurlitzer machine and does buy it, the union will not permit its men to service that machine.

The WITNESS. That's right.

The COURT. And if the owner of the spot doesn't remove it, he's picketed, that is, his milk is not delivered or his beer is not delivered, or bread, or whatever article it may be, and so if that man then wants to continue in business uninterrupted, he casts out the Wurlitzer machine, gives it back to the operator, and the operator will have to find some new spot, and the new spot would have to be, unless he run into the same thing again, have to be a spot that isn't a union-serviced spot?

The WITNESS. Or a brand-new restaurant.

Mr. WATSON. Is it the union's position they just won't permit their men to work on new Wurlitzers?

The WITNESS. Yes, sir.

The COURT. Why is that?

The WITNESS. Well, I could show you how—

The COURT. Let us have the story frankly on that.

The WITNESS. Let me follow in sequence.

Mr. WATSON. Tell us the whole story.

The WITNESS. Around the early part of May—

The COURT. This year?

THE WITNESS. Yes, sir. Jimmy James called up and said he wanted to talk to me. I had received about probably five or six, maybe more, phone calls from him before, on the same thing, like the Tom Parker case. He said, "you have a machine here, number 1005602—", I think that's still the number, "that machine is placed in the Diplomat. Who did you sell it to?" That's the Diplomat Cafe. I don't know where that is. It's in Detroit here. He said, "Who did you sell it to?" I said, "Well, that's confidential information. Don't you know who I sold it to?" He said, "No, that's what I am trying to find out." See, what the operator did, he went over and solicited the location and didn't put his name card in there. James couldn't get the information from anyone and came to us.

THE COURT. He could get it from the spot owner.

THE WITNESS. The location owner wouldn't tell him. See, the man was in the union. He didn't want to get thrown out of the union. He was in good standing with the union.

THE COURT. The spot owner?

MR. MOLL. The operator.

THE WITNESS. If it be told or let it be known he put his machine in there, he is thrown out of the union, put out of business, that operator, so the thing for him to do would be to conceal identity of the owner. He didn't put his name in there. That's what Jimmy James was trying to find out. He said, "I tell you what I'm going to do, I will give you a little while to think it over." He said, "I will call back." So he called back. I said, "That's confidential information I can't give you. He said, "the only medicine you people know is to picket you." I said, "Go ahead, picket the place, if you think that's the best medicine." He said, "that's the only medicine you people know. I don't mean picket the Diplomat, but your store on First Street. That will put you out of business or boycott you." I said, "Well, if you think that's the best thing, Jimmy, go to it." About two or three nights later—maybe I'm a week off on this—a very few days later, the union had an emergency meeting. They never had a meeting before. They don't have meetings; they just collect their dues. They had an emergency meeting about eight o'clock at night, and there James addressed about 560 operators and told them Bilvin Distributing Company is not for their cause, that we are selling machines to nonunion men, men not in the union, and he knows ways of sidetracking the Wurlitzer machines; he knows people at the railroad tracks knows they can sidetrack them, and we will not sell a machine in the State of Michigan; they will put us out of business. They took a vote there in the body, and they voted that they were not going to service any new Wurlitzers so James told them, "any of you people who have bought new Wurlitzers up to a certain date," I think they set a date in May, before that, bought prior to that, could be serviced; from then on, if you buy another machine, you will be an outlaw, you will be thrown out of the union, and we won't service those machines anyhow.

By MR. WATSON:

Q. Now, was this a meeting of operators or maintenance men?—A. Both. So then James called anybody who has purchased Wurlitzer phonographs in a separate meeting after that. Now, this I have heard, all this. Then he told them, "I could get Rock-Olas, Seeburgs, give me all the Wurlitzers because where we are going to use those Wurlitzers, put them in a pool, and where a location says, 'I want Wurlitzer and only Wurlitzer' we will get the machine from that pool and put it on that location"; otherwise there were to be no other Wurlitzers put on the locations. Then they voted to picket us and they did start to picket us on the 23rd of May.

THE COURT. What effect did that have on you?

THE WITNESS. We had, I would say, about \$57,000 of new equipment in there. We had about \$17,000 worth of used equipment in there. Our shop there services machines. If a man gets into a lot of trouble with his phonographs, can't repair it, we have pretty well experienced mechanics there that do it, and we do quite a business of that kind. They put a picket line on the 23rd of May, up to the 7th of June, when they had men in front of the store, on two corners. See, we are near the corner of First Street and Joann, there were men standing there. As soon as a truck driver come up to deliver something, an express truck, phonograph truck, they would talk to them all. We would see the truck come near there, and pull away. They would want no trouble. Nobody picked up machines, no operators would take a machine, nobody was taking any in for repair.

THE COURT. You couldn't have a machine delivered to you, and couldn't deliver to anybody else?



The WITNESS. That's right.

The COURT. Just got no teamster cooperation?

The WITNESS. We could not take any machines in or out of there.

The COURT. Then what happened?

The WITNESS. So I went to court and got a restraining order, with Mr. Colombo and Mr. Ver Meulen. In the meantime we had prepared our case and went into court and got a restraining order. That went on for a while and then they had another meeting, I believe, and started to picket all the locations that had a new Wurlitzer, so by that time our case came up, and we came before Judge O'Hara, and they got a temporary injunction, and it was supposed to come up a short while ago. In fact, we filed a motion to advance and the case has not come up yet. It should be up any day, now. I went out of town the other day, but it was last Wednesday or Thursday it was on call.

The COURT. Did they live up to the terms of the injunction, no more picketing?

The WITNESS. Bilvin Distributing, yes, but there are three other injunctions. There are three other operators who were picketed, and besides being picketed, they would go to the location, tell them to take that machine out, threatened them to take the machine out or they were going to be put out of business. When they started to do that, they didn't interfere with Bilvin Distributing. Then they figured another angle, to go against our customers, and one location and three operators went into court and got restraining orders.

The COURT. The same judge?

The WITNESS. No, sir. I really don't know—Judge Callender was the Judge who signed the restraining orders on these other operators, and I don't know who was the one for the location. There's another judge for the location.

The COURT. Were these other operators members of the union?

The WITNESS. They wanted to be in, but the union won't take them.

The COURT. Why?

The WITNESS. Because they are buying Wurlitzer phonographs.

The COURT. The union won't take any operators who are buying Wurlitzers?

The WITNESS. That's one thing, and the union also would not take a new operator. Take, for instance, a man just comes out of the army and wants to go into business. They say, "You cannot. First you have to join an association." Here's a good one. You have to join this association, where you must first resolve not to take any locations or solicit any business of another association man. After you sign an agreement there you will then have to go to join the union, so that in the event you do solicit business you are breaking a contract—the union and association have a closed-shop agreement, so the association notifies the union you took some of the business of another operator, and the union starts to picket, so if a man is about to start in the business and wants to go ahead in open competition and start to solicit locations, the union won't take them, and neither will the association.

The COURT. If a man comes back from the army—say, a man comes back, gets \$25,000 or \$50,000—his father might give it to him—he wants to be an operator. According to your testimony, he must do two things: He must join the union and join the association, and one of the things, when he joins the association, he agrees not to interfere with the location of other association members. If he does, he is picketed and knocked out, but joining the association isn't enough. He must go further and join the union.

The WITNESS. He has got to, because the association has no power to picket.

The COURT. So if he's an old operator or a brand-new operator, in either case, he's got to join the association and the union, and, thirdly, he must not take in any new Wurlitzer machines?

The WITNESS. That's right.

The COURT. But he can have old machines that were purchased prior to a certain definite date in May.

The WITNESS. Prior to this meeting where they set a date up.

The COURT. Why can't the Wurlitzer—what's to stop the Wurlitzer operators—what's to stop the operators of new Wurlitzer machines from joining the association and being members of the union?

The WITNESS. They won't take them in.

The COURT. Why? What's the trouble?

MR. WATSON. Well, did you testify earlier that's as the result of a resolution passed at this special meeting of the operators and maintenance men?

The WITNESS. Yes.

THE COURT. That's just the resolution, but what's behind that? Why is it an operator of a Wurlitzer machine can't join the association and the union and have that new Wurlitzer serviced by union men?

THE WITNESS. I think the whole thing behind it is the fact if we would sell the phonographs to who they say—before selling them, we have to ask, "Are you in the union?"

MR. MOLL. Why?

THE WITNESS. That's the whole question.

THE COURT. That gets back to the other story again. A man comes in, wants to buy a new Wurlitzer, and the union, Jimmy James, as I understand you, is willing that he buy a new Wurlitzer, but before he buys it, he has got to be in the union and a member of the association, but that's begging the question. Why is it that they are excluding the operator of new Wurlitzer machines? In other words, if an operator of a new Wurlitzer could join the union and is a member of the association, everything is fine. Now, a man has other machines than a Wurlitzer. He can join the association; he can join the union, and he can get his machines serviced. But the fellow that has a new Wurlitzer, as I understand you, he is precluded from joining the union or from joining the association.

MR. WATSON. Judge, I think perhaps you didn't get the import of his testimony. He said it was retaliatory because Bilvin wouldn't take the position of refusing to sell to anybody who was a nonunion member, and when Bufalino wouldn't agree to that, James made this retaliation by having the whole group vote not to let any operator in the union, or remain a member of the union if he was going to buy new Wurlitzers.

THE COURT. That doesn't quite satisfy me there. In other words, here, if Jimmy James takes the arbitrary stand that he doesn't want a certain operator in his union, and that operator says, "I own some new Wurlitzers, and I want to join the union," he just won't let him.

MR. WATSON. Well, let's get some testimony on that.

By MR. WATSON:

Q. Did you say James came to you and tried to get you to agree you wouldn't sell any Wurlitzers to people who were not union members?—A. That's what he implied—he told me over the phone on these different times, but the straw that broke the camel's back was this one location at the Diplomat. I wouldn't give him this information. They picketed us. They had a meeting.

Q. And agreed to picket you?—A. Not only picket us, but put us out of business.

Q. But he did come to you before that or over the phone, asked that you would not sell to anybody that did not belong to the union?—A. Here's what he would say: "You sold so and so this machine and he jumped the location of a non-union man."

Q. A union man.—A. I am sorry, "of a union man, so he's not in the union, so and so." That would be the prefix to his threats, to either have that man either take the machine out—

THE COURT. Let's get it this way: If a man wants new Wurlitzers, and he wants to join the union and the association, what must he do to do it?

THE WITNESS. He would have to—first, he would have to go over to the association, and they don't take them.

MR. MOLL. Well, why not? Why won't the association take additional members, and why won't the union take additional members? What is your understanding why the association or union will not take in your customers?

THE COURT. Just off the record.

(Discussion off the record.)

THE WITNESS. What they want to do is tell us who to sell the machines to.

MR. MOLL. Why? What have they ever said that would indicate that? Let us assume the association is interested in members. Let's assume the union is interested in members. Let's assume you have an open competitive market. You are interested in selling machines. You don't care whether your operators belong to the union or not, do you?

THE WITNESS. No, sir; I don't.

MR. MOLL. What?

THE WITNESS. I don't.

MR. MOLL. Well, what makes you feel neither the union nor the association will admit to membership your customers?

THE WITNESS. They made the statement at this meeting.

MR. MOLL. Well, what was the reason behind the statement?

THE WITNESS. Because I don't sell to people who they say I should sell to.

THE COURT. Well, you are not afraid of your product facing competition with any other machine, are you?

THE WITNESS. No, sir.

THE COURT. So a man comes in and wants to buy the machine. Judge Moll put the question to you—you don't care whether he's a union man or an association member?

THE WITNESS. That's right.

THE COURT. Now, when he comes in there, fortified with a machine, bought the machine, a new Wurlitzer, why is it that he cannot join the association and have that machine serviced by union men? You said a while ago, it's because Jimmy James had a meeting and they passed a resolution to that effect. What Judge Moll wants and what I want, why did they pass that resolution? What was there in it? What was behind it?

THE WITNESS. Here's what I think. The president of the association is Mr. Brilliant, who is the distributor for Rock-Ola. Another executive in the association is Mr. DeSchryver, who is distributor of another, I think A. M. I.—no, he is Airon, and all of the officers in there, I believe, are distributors of these other phonographs.

MR. MOLL. As well as operators?

THE WITNESS. As well as operators, big operators. DeSchryver probably is one of the biggest in town.

MR. MOLL. He distributes as a distributor to himself as an operator; Brilliant the same way?

THE WITNESS. In a big way. There's where they get protection. The first step, you have to join the association. They are not getting delivery of machines. Wurlitzer—I have 122 in my store. I can't sell them. There's 122 right now.

THE COURT. Let's see, now DeSchryver and Brilliant are operators and distributors?

THE WITNESS. That's right.

THE COURT. Of machines other than Wurlitzer?

MR. MOLL. Competitive machines.

THE WITNESS. Competitive machines.

THE COURT. Now, in keen competition, they would be interested in shutting out the Wurlitzer?

THE WITNESS. That's right.

THE COURT. New Wurlitzers. Now, in order to do that, they have got to take some steps, so Brilliant and—what's his name?

THE WITNESS. DeSchryver.

THE COURT. DeSchryver and others are in an association.

THE WITNESS. They are the officers of that association.

THE COURT. Well, they are the officers of an association, and they are also interlocked with the union.

THE WITNESS. In a closed shop.

THE COURT. Headed by Jimmy James.

THE WITNESS. There's a contract they have.

THE COURT. So if they can shut out the Wurlitzer machine and not have the Wurlitzer serviced by union men, then, if they were successful, they would capture all the business in the juke box industry in this locality?

THE WITNESS. That's right, but the reason for them wanting to do that now, is, they are just marking time. Their manufacturers are not delivering machines in the amount ours is. They are accomplishing their purpose.

THE COURT. Now, on the other hand, you exclusively represent the Wurlitzer in this locality?

THE WITNESS. That's right, sir.

THE COURT. And the Wurlitzer happens to be one of the oldest, and probably, as you say, one of the best—you would say one of the best?

THE WITNESS. I believe the statistics show in 1941 or 1942 they made 72 percent of all the phonographs.

THE COURT. It so happens at the present time you have machines for sale, and the territory is closed to you, on account of this set-up. Are there any personalities involved in this set-up? Are they fighting the Bilvin Distributing Company because of the ownership of the company?

THE WITNESS. They have one thing in mind.

THE COURT. From your testimony, it isn't because the Wurlitzer machine is an inferior machine; it isn't because of the price you charge for it?

THE WITNESS. That's right.

The COURT. It's some other reason. Now, why can't you, as the Bilvin Distributing Company, join the association, like Brilliant and the other follow?

The WITNESS. To join the association and the union.

The COURT. The association and the union—why can't you?

The WITNESS. A corporation has to join the union?

Mr. MOLL. Well, what the judge means, first, why you, as a distributor, can't join the association, what's your objection to joining the association, assuming they would let you in?

The WITNESS. We don't operate machines.

Mr. MOLL. You have explained that to them?

The WITNESS. Nobody ever approached us. They won't take our men. We offered to pay the dues of our men—the men that are in there now.

Mr. MOLL. Let me interrupt you. Off the record.

(Discussion off the record.)

The WITNESS. The only agreement or contract we have with them is that contract, the franchise.

Mr. MOLL. You are the sole distributor for the State of Michigan?

The WITNESS. For the palm of the hand—the lower peninsula.

Mr. MOLL. The lower peninsula. Your franchise doesn't provide price, except as published by Wurlitzer Company; it doesn't provide for quota and it doesn't provide for duration, does it?

The WITNESS. No, sir.

Mr. WATSON. Cancellable by either party?

The WITNESS. That's right.

Mr. MOLL. Will you just step out for a few minutes?

(Witness leaves the room.)

Examination by Mr. MOLL.

Q. Now, you organized Bilvin when?—A. The corporation, on the 12th.

Q. Of what month?—A. Of February 1947.

Q. Of this year?—A. That's right.

Q. And you say you are capitalized at \$65,000?—A. Yes.

Q. All one class of stock?—A. That's right.

Q. Who are the original subscribers to the stock?—A. Here's the thing, the stock is not issued to this date, but the original subscribers where who were intended to be the original subscribers.

Q. Who were they?—A. Angelo Meli, myself, Johnuy Priziola and Sammy Tocco.

Q. How much did each of you subscribe for?—A. Well, we were going to take our proportionate share in accordance with the amount of money we put up.

Q. How much did you put up?—A. I put up twenty thousand; my uncle put up forty-six thousand.

Q. Angelo?—A. That's right, Angelo Meli put up forty-six thousand.

Q. You put up twenty-six?—A. Twenty.

Q. Angelo put up forty-six?—A. Forty-six.

Q. That's sixty-six.—A. Mr. Priziola put up twenty thousand.

Q. That's eighty-six.—A. Sammy Tocco put up twenty-five.

Q. That's one hundred and eleven.—A. See, there's 141,000. Now, there's thirty-thousand that we borrowed. 15,000 we borrowed from Carlo Diliberto and 15,000 from Nick Ditta.

Q. Who borrowed that?—A. I did.

Q. Why were you forced to borrow the money?—A. All of the routes and the distributorship, including the good will and everything, amounted to 141,000.

Q. What routes?—A. See, there were routes such as the Sarvis route, Sunny Jack Music Company, the Sun Music Company, the G. I. Phonograph Company, I think was in that, too. All these routes are routes that Martin Distributing Company was operating, or they were in partnership with another operator, and that's what the sum total was, so the agreement we had with Mr. Diliberto and Mr. Ditta was eventually they will buy a route and it is the money that we owe them goes towards that route. Now, Carlo Diliberto bought the Sarvis route. The Sarvis route was 19,200, so—

Q. Instead of you owning—A. He came up with \$4,200.

Q. He came up with some money. Did Ditta get a route?—A. No, sir.

Mr. MOLL. Let's get off the record.

(Discussion off the record.)

(Witness excused.)

## STATE OF MICHIGAN

IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

(Misc. No. 72052)

In re: *Petition of Gerald K. O'Brien, Prosecuting Attorney of Wayne County, for a One-Man Grand Jury investigation into the commission of certain crimes in the County of Wayne*

Proceedings had and testimony taken, in the above entitled matter, before Honorable GEORGE B. MURPHY, Circuit Judge, sitting as a One-Man Grand Jury, at 1974 National Bank Building, in the City of Detroit, Michigan, on Tuesday, January 28, 1947.

Present: Mr. Lester S. Moll, Special Assistant Attorney General.

Reported by: Margaret Cameron, Reporter.

FRED EARL CONWAY, being by the Court first duly sworn, was examined and testified as follows:

Examination by Mr. MOLL:

Q. Will you state your full name, please?—A. Fred Earl Conway.

Q. And your address?—A. Business or residence?

Q. Residence.—A. 6017 28th Street.

Q. And what is your business, please?—A. Automatic phonograph operator.

Q. And what is the name of your concern?—A. Conway Automatic Music Company.

Q. Where is your office located?—A. 4618 John R.

Q. Now, what is the nature of your business?—A. Operating juke boxes on a commission basis, I guess you would say.

Q. And how long have you been in that business?—A. Ten years.

Q. Are you a member of the operators' association?—A. Yes.

Q. And when did that come into existence, this last association?—A. I couldn't say.

Q. A couple of years ago, isn't it?—A. About that time.

Q. It was organized January 1945?—A. They have had several associations.

Q. I know. I mean this present one.—A. The last one, yes.

Q. And how many employees have you?—A. Five.

Q. And are they members of the Music Maintenance Workers Union?—A. Well, I don't think they all are, because some of them were just employed, and I didn't have a chance to send their names in before the thing was dissolved.

Q. Well, in the last two years, were your employees members of the union?—A. Yes.

Q. And that is the union headed by Jimmy James?—A. Yes.

Q. Now, will you state, for the purpose of the record, whether you, as an operator, have any complaint whatsoever as to the activities of the union or any of its officers or members in connection with the operation of your own business?—A. No.

The COURT. In other words, you mean you have no objection?

Mr. MOLL. No complaint.

The COURT. No complaint?

The WITNESS. No.

By Mr. MOLL:

Q. Now, what is the purpose of the association?—A. The Phonograph Owners' Association?

Q. The Owners' Association.—A. Well, so far as I know, the purpose is for the members of that association not to take away or attempt to take away the business of the other members.

Q. And to advance your mutual business interests?—A. Business interests, yes.

Q. Now, did the association get what you considered good cooperation from the union?—A. I think so.

Q. And I understand that you have no complaint, as an operator, concerning the treatment which you received from the union or any of its officers or members?—A. Well, I wouldn't say—I did have complaint about one of the employees of the union, and when I made that complaint they dismissed him.

Q. That's the complaint you told me about, about his borrowing money occasionally?—A. Yes, he come out borrowing money all the time.

Q. And not paying it back?—A. Yes.

Q. How much do you figure he borrowed altogether?—A. Between \$60 and \$70.

Q. When you reported that to James, he was discharged?—A. That's right.

Q. The man you speak of was Hill?—A. Hill, yes.

Q. Now, you understand that the charter of the union has been withdrawn?—A. I have been told that, yes, that the parent union revoked the charter.

Q. And what is the present situation in the industry, as you see it?—A. As regards to what?

Q. Well, as regards to your ability to do business, what is happening?—A. Well, if we don't devise some kind of way to protect our business, we won't have any business.

Q. That's due to what?—A. To the people who don't belong to the association offering better terms and new machines.

Q. With the result that they are getting spots?—A. Getting our locations. If we meet the terms, we can't make any money, and if we don't meet the terms, we lose our locations.

The COURT. So they have got you—

The WITNESS. Either way you go.

The COURT. On both horns of a dilemma.

By Mr. MOLL:

Q. Well, you feel, then, that the existence of the union was beneficial to the operators?—A. It was.

Q. And why do you say that?—A. Why do I say the existence of the union was a benefit to the operators? Because it protected our locations. As a man that has money invested in phonographs and the phonographs are in locations, the fact our men do belong to a union, we have something to hold our locations.

Q. Well, now, are the association members at the present time, in the absence of the union, jumping each other's locations?—A. Not that I know of, not any of those, I know—not any members that I know.

Q. The jumping is coming largely from operators?—A. Who do not belong to the association.

Q. And who are operating Wurlitzer machines?—A. Wurlitzer machines.

Q. Distributed by the Bilvin Company?—A. Bilvin Distributing Company.

Q. Now, has there been any violence that you know anything of, or any incidents in the taking over of the spots that have been formerly operated by members of the association?—A. None that I have heard of. I went in to a man—a man had pushed my machine to the wall, was putting another machine in there. All I did was try to talk to the proprietor and that's all. I couldn't do anything with him. He said he had a better proposition, so I just walked out.

Q. Well, are any of the operators of these Wurlitzer machines muscling the association members?—A. Well, just take their locations, and if you take it sitting down, there's nothing to it. Of course, if I had been a younger fellow, I guess, and cocky like I used to be, I would have started a fight in there. Of course, I'm not so young. All I want to do is get along.

The COURT. How old are you now?

The WITNESS. Sixty.

By Mr. MOLL:

Q. Now, at present some of the places that have installed Wurlitzer machines recently are being picketed.—A. I saw pickets.

Q. By Paradise Valley Operators' Association, is that right?—A. I saw pickets in front of some of the locations.

Q. Who put the pickets out, do you know?—A. I imagine the employees of the various companies that are members of the Paradise Valley Association.

The COURT. Is the Paradise Valley Association independent of the other association?—A. Yes. The Paradise Valley Association is an association of colored phonograph people, and we were formed before they had this association, and they induced us to join this association.

The COURT. In other words, what I am talking about, the association I am talking about, Brilliant and those fellows came into the association.

The WITNESS. Yes, the one Brilliant is president of.

The COURT. Paradise Valley Association was organized before that?

The WITNESS. Before that, yes.

The COURT. And Paradise Valley Association is composed of colored operators.

The WITNESS. Yes.

The COURT. When Brilliant's association came in, Paradise merged with it.

The WITNESS. Yes.

The COURT. Now, since this trouble arose and the charter of the union was revoked, the Paradise Valley Association has revived?

The WITNESS.. I guess you would call it that.

The COURT. Sort of come back to life again. And in some of those spots owned by members of the Paradise Valley, they are being picketed by the Paradise Valley Association.

The WITNESS. By the employees of the owners.

The COURT. Yes, by the employees of the owners.

The WITNESS. Yes.

The COURT. The reason for that is, that the Wurlitzer or Bilvin has muscled in there or gotten in.

The WITNESS. Yes, and then again, you see, the white members—they could, but it wouldn't be common sense to have them picketing on Hastings Street. It would start a situation, you know, that wouldn't be good.

The COURT. So from a practical standpoint, it's better if Paradise Valley is going to picket, to have colored pickets.

The WITNESS. And not white ones over there. The same way, we wouldn't go over on Third Street and have our men picket, because they would start trouble over there.

By Mr. MOLL:

Q. Who is head of the Paradise Valley Operators Association?—A. To tell you the truth, I don't remember. Somebody is president.

Q. Well, are you?—A. No, I am not president.

Q. Who is?—A. I don't know.

Q. Harris?—A. Harris? There is nobody named Harris that I know of.

Q. Isn't there an L. V. Harris?—A. Oh, L. V. Harris is an employee, I think. I think the president of it is Hubert Wisdom. He's the last one that I recall was president.

Q. Where is he located?—A. I think he lives on Tennessee.

Q. Has he got an office?—A. No, he's a small operator, and I think we made him president because we figured he would have more time than a large operator.

The COURT. How many machines do you operate?

The WITNESS. A little over 100 machines.

The COURT. Yourself?

The WITNESS. Yes.

The COURT. And what would you say, before this trouble arose, would be about the net worth of your company, your business?

The WITNESS. About fifty thousand, possibly.

The COURT. What would you take in, net to you?

The WITNESS. Net to me?

The COURT. Yes.

The WITNESS. The net might be very small. We usually take in about twelve hundred a week.

The COURT. \$1,200 a week?

The WITNESS. Yes.

The COURT. 52 weeks in the year?

The WITNESS. Yes, but the net would be—

The COURT. I mean, that's gross you take in.

The WITNESS. That's what we bring back to the office.

By Mr. MOLL:

Q. That's about \$60,000 a year, \$1,200 a week?—A. Yes.

Q. About \$60,000 a year. What do you figure your net out of that is before taxes?

The COURT. We are not ready to pin you down, so as to report you to the federal government. We are just trying to find out the size of your business.

The WITNESS. I might wind up with \$5,000, I guess.

The COURT. \$5,000?

The WITNESS. I might wind up with that.

The COURT. \$5,000 is five percent of \$100,000. So if you had \$100,000 and you got five percent, you would be getting \$5,000 a year. Now, your business is gross \$60,000. At least the minimum of your net is \$5,000.

The WITNESS. It should be.

The COURT. Sure. It could be ten.

The WITNESS. I don't know.

The COURT. What?

The WITNESS. I don't know.

The COURT. Well, of course, as far as you are concerned, you make an income tax report.

By Mr. MOLL:

Q. Now these pickets that were put out yesterday, they are not employees of the association, are they?—A. I couldn't say as to that.

Q. You know they were hired pickets, weren't they?—A. Well, if they were employees, they would have to pay them just the same.

Q. What?—A. Even though they were employees, they would have to pay them. I think some of them were employees.

Q. Maybe some of them were. Some were hired.—A. I don't know.

Q. Now, what's the purpose of the picketing?—A. The purpose of it?

Q. Yes.—A. Well—

Q. Put it this way: The only spots being picketed are spots where the machines of the old operators had been replaced by new Wurlitzers, is that right?—A. I think so.

Q. Put in there by various Wurlitzer operators?—A. Yes.

Q. Now, how long is the picketing going to continue?—A. How long?

Q. Yes.—A. I couldn't say.

Q. Has there been any violence around any of the picket lines?—A. Not that I know of—none I have seen or heard of. I imagine some of the owners don't like it. They called the police. The police came over there and scared some of the boys away, I think—so I am told.

Q. But, at least, the pickets are being put out by the Paradise Valley Association?—A. I wouldn't say as to that.

Q. Well, they carry their signs?—A. Yes.

Q. As far as you know, that's it. But you don't know who heads up the association?—A. I said I thought Wisdom was the last known president I know of, as I can recall.

Q. Do you anticipate any trouble as a result of this?—A. No, we are not anticipating any trouble. It's the last thing we want is trouble.

Q. Well, the pickets are instructed not to do any acts of violence, aren't they?—A. They wouldn't be interested in any acts of violence.

Mr. MOLL. Well, I think that's all then, for the present.

Mr. CONWAY. Okey.

(Witness excused.)



## EXHIBIT No. 15



Residence of Angelo Meli.

## EXHIBIT No. 16

## AFFIDAVIT OF AGNES NEVERS

STATE OF MICHIGAN,  
*County of Wayne, ss:*

Agnes Nevers, being duly sworn, deposes and says, that on Friday July 7, 1950, William E. Bufalino together with Gay Woberman visited the Fifty-second Street Bar, located at 7443 Michigan Avenue, Detroit, Mich., owned by deponent's husband, Edward Nevers, and threatened to picket the bar unless the jukebox owned by Patterson Music Co., was removed. That on Wednesday July 12, 1950, the same men again appeared this time bringing with them a picket and bearing a banner reading as follows: "The music box in this establishment is not serviced by a member of our union. Please do not use it—Service, Drivers and Helpers Division Union Local 985 IBTCWH, A. F. of L."

In order to avoid the loss of business resulting from a picket line and to avoid stoppage of delivery of beer and other bar requirements, deponent disconnected the jukebox belonging to Patterson Music Co., whereupon said Bufalino, Woberman, and the picket disappeared.

Deponent consents to have this affidavit used in connection with a lawsuit seeking an injunction against such picketing as has been mentioned above.

AGNES NEVERS.

Subscribed and sworn to before me this 13th day of July 1950.

[SEAL]

NICHOLAS T. MARKES.

*Notary Public, Wayne County, Mich.*

My commission expires June 4, 1954.

## AFFIDAVIT OF CHARLES W. RANTZ

STATE OF MICHIGAN,

*County of Wayne, ss.:*

Charles W. Rantz, being duly sworn, deposes and says, that he is one of the owners of Harry's Bar, located at 7739 Linwood Avenue, Detroit, Mich., that on Friday, July 7, 1950, William E. Bufalino, business manager of Service, Drivers and Helpers Division Local 985, a local of International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, visited deponent at Harry's Bar in company with Gay Woberman of Gaycoin Distributors. Bufalino then ordered deponent to take out the jukebox belonging to Patterson Music Co., and put in one belonging to Gaycoin Distributors. Deponent refused to do this and said Bufalino reappeared with a picket, who picketed the bar for a good part of an hour, when deponent ordered his bartender to disconnect the Patterson Music Co. jukebox which was done, whereupon said Bufalino and the picket left.

Deponent consents to have this affidavit used in connection with a lawsuit seeking an injunction against such picketing as has been mentioned above.

CHARLES W. RANTZ.

Subscribed and sworn to before me this 13th day of July 1950.

[SEAL]

NICHOLAS T. MARKES,

*Notary Public, Wayne County, Mich.*

My commission expires June 4, 1954.

## AFFIDAVIT OF JOSEPH C. SLOANE

STATE OF MICHIGAN,

*County of Wayne, ss.*

Joseph C. Sloane, being duly sworn deposes and says, that he is the owner of Sloane's Tavern, located at 7059 Michigan Avenue, Detroit, Mich.

That on July 7, 1950, Gay Woberman, of Gaycoin Distributors visited deponent at his tavern stating that William E. Bufalino business agent for Service, Drivers, and Helpers Division, Local No. 985, a local of International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, had sent him, the said Gay Woberman, to replace the jukebox in the said tavern, which jukebox was owned by Patterson Music Co., with a jukebox owned by Gaycoin Distributors. That deponent refused to permit said Gay Woberman from making this substitution. That on Wednesday, July 12, 1950, the said William E. Bufalino appeared with several other men and placed one picket in front of deponent's said tavern, that this picket paraded in front of deponent's tavern with a sign worded as follows: "The Music Box in this establishment is not serviced by a member of our union. Please do not use it—Service, Drivers and Helpers Division Union Local 985, I. B. T. C. W. H., A. F. of L."

That this picket walked up and down in front of deponents tavern from about 1 p. m. to 5 p. m.

That in the regular course of business deponent receives delivery of beer on the Wednesday of each week and that deponent was expecting and needed delivery of beer on the day of the picketing, Wednesday, July 12, 1950, but that this beer was not delivered and deponent believes that his failure to secure delivery of this beer was a direct result of the picketing, particularly as the picket carried a banner showing that he represented Local No. 985, which is a local of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America.

Deponent consents to have this affidavit used in connection with a lawsuit seeking an injunction against such picketing as has been mentioned above.

JOSEPH C. SLOANE.

Subscribed and sworn to before me this 13th day of July 1950.

[SEAL]

NICHOLAS T. MARKES,

*Notary Public, Wayne County, Mich.*

## AFFIDAVIT OF GEORGE LAPOINTE

STATE OF MICHIGAN,

*County of Wayne, ss:*

George LaPointe, being duly sworn, deposes and says, that he is owner of Antler's Bar, located at 8535 Linwood Avenue, Detroit, Mich., that on Wednesday July 12, 1950, William E. Bufalino, business manager for Service, Drivers and Helpers Division, Local 985, a local of International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America, visited deponent at his said bar bringing with him Gay Woherman of Gaycoin Distributors and a picket carrying a banner with "The music box in this establishment is not serviced by a member of our union, please do not use it—Service, Drivers and Helpers Division Union Local 985, I. B. T. C. W. H., A. F. of L." printed thereon. That said Bufalino then threatened deponent that unless he, deponent, disconnected the juke box in his bar belonging to Patterson Music Co, he, Bufalino, would place the picket he had with him in front of deponent's bar. That to avoid a stoppage of beer delivering which deponent knows automatically follows picketing of a bar, deponent disconnected the Patterson Music Co., juke box.

Deponent consents to have this affidavit used in connection with a lawsuit seeking an injunction against such picketing as has been mentioned above.

GEORGE LAPOINTE.

Subscribed and sworn to before me this 13th day of July 1950.

[SEAL]

NICHOLAS T. MARKES,  
*Notary Public, Wayne County, Mich.*

## EXHIBIT No. 18



Residence of Mike Rubino.





BOSTON PUBLIC LIBRARY



3 9999 06351 624 7



